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1943 STATE LEGISLATION

RELATING TO

RURAL ELECTRIFICATION

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1943 STATE LEGISLATION AFFECTING RURAL ELECTRIFICATION

Forty-four state legislatures held regular sessions in 1943. Wisconsin and New Jersey carried their 1943 sessions over into January 1944. California held two special sessions; Georgia also met in special session. However, these special sessions did not consider legislation affecting the rural electrification program. Because of the preoccupation of the legislatures with war measures, emphasis in electric cooperative legislative activities was placed on resisting utility-inspired attacks upon existing statutory frameworks and on securing enactment only of those measures urgently required to remove immediately pressing burdens and restrictions on the program. The principal objective in most of the states was to hold gains already won.

A. Affirmative Program

Enactment of legislation supporting the program was sought in twenty-two states, as indicated in the accompanying table. In fifteen of the states the cooperative effort resulted in passage of all or part of the measures sponsored. In the remaining seven states the cooperative measures failed of enactment.

Model Act. The Model Electric Cooperative Act was introduced in two states--Colorado and Vermont. In the former, organized utility opposition was strong enough to require withdrawal of the bill in order to avoid its being made useless by crippling amendments. Vermont, notwithstanding determined utility opposition, became the 27th state to adopt the Model Act.

Amendatory Legislation. Amendments to existing enabling acts were enacted in four states--Illinois, Michigan, Missouri, and Washington. In Wisconsin an amendment of the General Cooperative Act, providing for membership in electric cooperatives by governmental units and agencies, was withdrawn when it appeared that further inimical amendments to this Act might be introduced. The Illinois measure was a general revision of the Corporations Not for Profit Act. In Michigan the enabling law was amended with respect to signature and acknowledgment of articles of incorporation. In Missouri the existing provision limiting cooperative existence to twenty-five years was amended to provide for a 50-year term; an attempt to amend the quorum requirements for meetings of members failed. The Washington legislature amended the Public Utility District law to provide for joint commissions, primarily to facilitate the acquisition of electric property situated in more than one district. This measure will be the subject of an initiative vote in the November 1944 general election.

Tax Legislation. Substantial affirmative gains were made in the tax field. In seven states--Idaho, Minnesota, North Dakota, Oklahoma, Oregon, Utah, and Wyoming--the cooperative bills were enacted in whole or in part; in three states--Florida, Iowa, and Maine--the cooperative tax

programs failed. The Idaho legislature transferred the power of assessment over rural lines to the State Board of Equalization, after rejecting two bills providing for tax exemption and lower tax rates for cooperative properties. Minnesota adopted clarifying amendments of existing income and property tax laws relating to cooperatives. North Dakota clarified the 1941 gross receipts tax statute. Oklahoma substituted a 2 percent tax on gross revenues for all other property taxes. Oregon provided a 2 percent gross receipts tax in lieu of taxes on transmission and distribution lines. Utah exempted electric cooperatives from the State sales tax. Wyoming extended for six years, from February 11, 1943, the tax exemption previously granted to the electric cooperatives.

In Florida a constitutional amendment, providing for complete tax exemption for rural lines, fell just short of receiving the required three-fifths vote. The Iowa legislature refused to continue the tax exemption statute which expired on December 31, 1942. The Maine cooperatives failed in their attempt to substitute a gross receipts tax for the ad valorem property tax.

The Louisiana electorate in 1943 ratified the constitutional amendment adopted by the legislature during the 1942 session, granting complete tax exemption on cooperative lines for a 25-year period.

Easement Legislation. North Carolina enacted a bill relieving the electric cooperatives from criminal liability for failure to register easements as required by law. The Minnesota legislature amended existing law relating to the granting of easements over State-owned lands. In Florida and New Mexico, attempts to secure enactment of the provision of the Model Act limiting the time for institution of actions involving cooperative easements failed.

Miscellaneous. Indiana adopted a bill including electric cooperatives in a group life insurance program. Wisconsin enacted a measure permitting town mutual enterprises to insure electric cooperative property. An Arizona bill creating a power and water authority failed of passage. In Florida an unsuccessful attempt was made to secure the right of eminent domain for cooperatives. The New Mexico cooperatives failed in their effort to obtain repeal of the Contractors' Licensing Act. The South Carolina cooperatives arranged for the amendment of a bill sponsored by the South Carolina Power Authority relative to the acquisition of certain private utility properties. The amendment would have protected the cooperatives' interest in the rural portions of the property; however, the bill itself did not pass.

B. Defensive Program

As indicated in the table, legislation inimical to the rural electrification program was introduced in 26 states. By and large these bills failed, the only exceptions being the passage in Nebraska of certain undesirable amendments to the Public Power District law and of a franchise law limiting certain franchises to a period of 25 years; the passage in Alabama of a Public Nonprofit Corporation

Act sponsored by adverse interests; the passage in North Carolina of an extension of the lapsed Municipal Revenue Bond Act to permit the acquisition of certain properties by the City of Wilmington, the bill being objectionable because of failure to provide adequate safeguards to the electric cooperative interests; and the passage in Texas of legislation restricting public power operations.

The cooperatives successfully defended their interests with respect to all other adverse legislation which was introduced, including the following:

Amendatory Legislation. In Pennsylvania a wide-open and vigorous attempt was made by the private utility companies to secure enactment of two bills, one eliminating the cooperative preemption law and the other subjecting the cooperatives to Commission jurisdiction. But for the vigilance of cooperative representatives, these bills would have been passed. Cooperative forces were marshaled and were successful in preventing the bill from passing the lower House in which they were introduced. An attempt by a group, not unfriendly to the cooperative electrification program, unsuccessfully sought to amend the South Carolina Electric Cooperative law to permit the formation of telephone cooperatives. The bill was not supported by the electric cooperatives, which took the position that they would neither favor nor oppose the bill, indicating however a feeling that it was unwise to open a bill satisfactory to them to possible amendments by adverse interests. A North Carolina bill which would have required publication of financial statements of the State Electrification Authority did not reach a vote.

Commission Regulation. In Pennsylvania, as above indicated, and in Delaware and Florida bills which would have subjected the electric cooperatives to Commission regulation were introduced but failed of passage. The Delaware and Florida bills would have conferred, for the first time, a general regulatory supervision over electric utility operations upon a state commission. The sponsors of the Florida bill were clearly unfriendly to the electric cooperative program. In Delaware the sponsors were attempting to seek relief from what they considered oppressive utility company tactics; they probably would have agreed to cooperative exemption.

Electrical Licensing. In nine states--Alabama, Arizona, Indiana, Iowa, Maryland, Nevada, New Jersey, Pennsylvania, and Tennessee--electric inspection and contractors' licensing bills, all containing provisions which would have been particularly burdensome in rural areas, were opposed by the cooperatives and defeated.

Tax. In Georgia, Idaho, Indiana, and Iowa bills which might have adversely affected the cooperatives' tax structure failed of passage.

Construction Standards. In Idaho, Minnesota, and Oregon measures establishing construction standards, which would have been unduly burdensome, were defeated.

Zoning. In Michigan, Texas, Utah, and Washington zoning measures which were found to be objectionable because of their failure to take into consideration cooperative needs and problems failed of passage.

Miscellaneous. The Colorado legislature considered a power authority bill which, although purporting to establish a quasi-public power agency for the purchase of Colorado Public Service Company, contained provisions which might have prevented further rural electrification in some areas. Considerable pressure was exerted by the Cities Service Power and Light Company, Colorado Public Service Company, and affiliated companies, upon the legislature, so much as to bring about a legislative investigation. The bill did not pass. An interim committee was created to consider further the necessity for such legislation.

In Georgia a bill creating a South Georgia Utility District, the sponsorship of which was suspect, was opposed by the cooperatives and failed to come out of committee. A New Hampshire bill relating to hydroelectric development, which was admittedly designed to forestall cooperative development, failed of enactment after extended hearings.

The Iowa legislature considered, but did not pass, a bill which would have completely reorganized the franchise system now in effect. The Maine and Pennsylvania legislatures defeated meter inspection bills. The New York legislature refused to pass bills regulating electric submetering corporations, the terms of which were so indefinite that they might possibly have been interpreted to include electric cooperatives. A Pennsylvania bill imposing liability for service failure failed. A Washington bill prohibiting the sale of domestic appliances also failed.

C. Collateral Legislation

In addition to the foregoing measures, hundreds of additional measures were examined for the purpose of determining their relationship to the rural electrification program. Those bills which appeared to be capable of amendment so as to affect directly the program were followed. Lists of all measures introduced in all the states which held sessions were examined for the purpose of identifying those measures which related directly to the program and also those measures which related to matters which concerned the cooperatives in their day-to-day activities. The enacted session laws were also reviewed for the same purpose. Because of the fact that approximately 50,000 bills and resolutions were introduced in the 44 states which held regular sessions, this task was no light one. In fact, it was considerably complicated by the elimination of the State Report Section of the Office of Government Reports, which had furnished considerable assistance during the 1941 session.

There follows hereafter a detailed report with respect to each of the 44 states which held sessions in 1943. These reports include a statement with respect to the affirmative and defensive legislative programs and a description of legislation of collateral interest. Finally, they include a section projecting a future program. Again, it is pointed out that the legislative efforts of our borrowers can be best coordinated and directed into proper channels only if each member of the Rural Electrification Administration staff will cooperate in reporting problems

requiring legislative solution and in making suggestions as to the desirability and utility of proceeding in the direction proposed in the individual state reports. It should be noted that 44 legislatures will meet again in 1945. It is by no means too soon now to consider legislative programs in the light of current needs. It is recognized that such programs will require frequent re-orientation to meet changing conditions. However, immediate commencement of definite planning for the 1945 sessions is necessary in order to achieve the goals which, presently at least, are desired.

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1943 STATE LEGISLATION AFFECTING RURAL ELECTRIFICATION

A. Affirmative Program

State	Model Act	Amendatory	Tax	Easement	Other
Alabama					
Arizona					Failed (1)
Arkansas					
California					
Colorado	Withdrawn				
Connecticut					
Delaware					
Florida			Failed	Failed	Failed (2)
Georgia					
Idaho			Part Passed(3)		
Illinois		Passed			
Indiana					Passed (4)
Iowa			Failed		
Kansas					
Maine			Failed		
Maryland					
Massachusetts					
Michigan		Passed			
Minnesota			Passed (5)	Passed	
Missouri		Part Passed			
Montana					
Nebraska					
Nevada					
New Hampshire					
New Jersey					
New Mexico				Failed	Failed (6)
New York					
North Carolina				Passed Part	
North Dakota			Passed (5)		
Ohio					
Oklahoma			Passed		
Oregon			Passed		
Pennsylvania					
Rhode Island					
South Carolina					Failed (7)
South Dakota					
Tennessee					
Texas					
Utah			Passed		
Vermont	Passed				
Washington		Passed			
West Virginia					
Wisconsin		Withdrawn			Passed (8)
Wyoming			Passed		

Note: See page 3 for notes

B. Defensive Program

State	Amend Enabling Law	Commission Regulation	Electrical Licensing	Tax	Construction Standards	Zoning	Other
Alabama			Failed				Passed (1)
Arizona			Failed				
Arkansas							
California							
Colorado							Failed (2)
Connecticut							
Delaware		Failed					
Florida		Failed					
Georgia				Failed			Failed (3)
Idaho				Failed	Failed		
Illinois							
Indiana			Failed	Failed			
Iowa			Failed	Failed			Failed (4)
Kansas							
Maine							Failed (5)
Maryland			Failed				
Massachusetts							
Michigan						Failed	
Minnesota					Failed		
Missouri							
Montana							
Nebraska	Passed						Passed (6)
Nevada			Failed				
New Hampshire							Failed (7)
New Jersey			Failed				
New Mexico							
New York							Failed (8)
North Carolina	Failed						Passed (9)
North Dakota							
Ohio							
Oklahoma							
Oregon					Failed		
Pennsylvania	Failed	Failed	Failed				Failed (5)(10)
Rhode Island							
South Carolina	Failed						
South Dakota							
Tennessee			Failed				
Texas						Failed	Passed (11)
Utah						Failed	
Vermont							
Washington						Failed	Failed (12)
West Virginia							
Wisconsin							
Wyoming							

Note: See page 3 for notes

A. Affirmative Program

(1) Power and Water Authority Bill
(2) Eminent Domain Bill
(3) Two Tax Bills Providing Exemption or Low Tax Rate Withdrawn; Bill Authorizing State Board to Assess Passed
(4) Group Life Insurance Bill
(5) Amendatory Bills
(6) Repeal of Contractor and Electrical Licensing Laws
(7) Amendment of Santee-Cooper Acquisition Bill
(8) Bill Permitting Town Mutuals to Insure Electric Cooperative Property

B. Defensive Program

(1) "Public Power Bill", so called
(2) Colorado Power Authority Bill
(3) South Georgia Utility District Bill
(4) Franchise Bill
(5) Meter Inspection Bill
(6) Franchise Bill
(7) Water Resources Bill
(8) Rate Regulation Bill
(9) Extension of Municipal Revenue Bond Bill
(10) Bill Imposing Liability for Service Failure
(11) A Series of Bills Restricting Public Power Operations
(12) Bill Prohibiting Sale of Domestic Appliances

Alabama Legislation - Final Report
Session: May 4 - July 2, 1943

A. Affirmative Program

No affirmative program was undertaken by our Alabama borrowers at the 1943 session.

B. Defensive Program

"Public Power". H. B. 428 (Governor's No. 158, Laws 1943), approved and effective June 15, 1943, a Public Nonprofit Corporation Act, provided a statutory basis for the organization of quasi-public power corporations having authority to acquire and operate electric transmission and distribution facilities and "related services", having the power of eminent domain, with complete exemption from jurisdiction of the Alabama Public Service Commission, and with complete tax exemption. Acquisitions may be financed by the issuance of revenue bonds; no specific provisions are made for Government financing. Upon liquidation or dissolution the electric facilities cannot be conveyed to a municipality in the corporation's territory. No provision is made for rural representation on the Board of Directors. Apparently this measure was filed as a result of an SEC order directed against Federal Water and Gas Corporation, holder of the voting stock of Alabama Water Service Company. The cooperatives felt that H.B. 428 was sponsored by private interests in order to create a bargaining agent to compete against the REA-financed cooperatives in certain acquisitions. However, no position was taken by the cooperatives as passage in any event seemed assured.

H.B. 429 (Governor's No. 159, Laws 1943), approved June 15, 1943, provided authority for municipalities (within the territorial limits of a district proposed to be served by a corporation formed under H.B. 428) to advance funds to such corporation for preliminary organization expenses. S.B. 268 and 269 were companion measures to H.B. 428 and 429.

Licensing and Inspection. H.B. 564, creating a board to establish regulations for electrical installations, died in the House.

C. Collateral Legislation

Enacted. H.B. 269 (Governor's No. 188, Laws 1943), approved and effective June 12, 1943, a war powers act, authorizing the Governor, inter alia, to mobilize, coordinate and direct the activities of public utility, etc., forces and services of the State and its political subdivisions, to take possession of private or public property to protect the public interest, to modify any law or ordinance hindering the war effort, etc.

H. J. R. 81 (Governor's No. 458, Laws 1943), created several interim legislative committees, including one on Agriculture and Industries, to study the development of the State and its resources and to report to a committee of the whole country of the members of both Houses. The Resolution

directs members of the legislature to submit proposed legislation to the Lieutenant-Governor or the Speaker for proper committee assignment.

H.B. 510 (Governor's No. 226, Laws 1943), approved and effective June 22, 1943, amended sections 8, 9, 13-16, Ch. 2, Title 46, 1940 Code, relating to qualification and registration for the practice of architecture.

S.B. 98 (Governor's No. 240, Laws 1943), approved June 22, 1943 and effective as of December 7, 1941, authorized taking of acknowledgments, proof of conveyances, and affidavits by members of the armed forces before commissioned officers.

S. B. 173 (Governor's No. 126, Laws 1943), approved and effective June 10, 1943, protects persons acting in good faith under or in reliance upon written powers of attorney of persons in the armed forces, or in the federal service who are abroad.

H. B. 734 (Governor's No. 287, Laws 1943), approved and effective June 28, 1943, created the Municipal Utilities Board of Albertville, empowered to manage and control the city-owned public utilities; provided for the handling and disposition of funds in accordance with the power contract with T.V.A. and with Ordinance No. 165, authorizing the issuance and sale of Electric System Revenue Bonds of 1938; and placed control of any other utilities acquired by the city in the hands of the Board.

H.B. 62 (Governor's No. 183, Laws of 1943), approved and effective June 18, 1943, created a State Planning Board, with direction to adopt an official master plan for the physical development of the State, including utilities, to cooperate with other planning agencies, including TVA and National, regional or interstate planning boards, and to enter into agreements with and accept grants from other states, the federal government, etc. Appropriated $75,000 annually for fiscal 1944 and 1945. S. B. 2 was a companion bill in the Senate.

H. B. 63 (Governor's No. 184, Laws 1943), approved June 18, 1943, repealed sections 368 to 373, Article 5, Chapter 10, Title 55 of the 1940 code, establishing a State Planning Commission. S. B. 3 was the companion bill in the Senate.

H. B. 254 (Governor's No. 385, Laws 1943), approved and effective July 6, 1943, amended section 30, Title 19, Alabama Code, relative to costs in condemnation proceedings.

H. B. 453 (Governor's No. 574, Laws 1943), approved July 10, 1943, amended section 131, Title 47, Alabama Code of 1940, as amended by Act No. 642, approved July 11, 1940 (1939 Session), relating to requirement of recording of conditional sales, leases, etc.

H. B. 475 (Governor's No. 543, Laws 1943), approved July 12, 1943, amended various sections of Title 46, 1940 Code, relating to the registration of professional engineers and land surveyors.

H. B. 30 (Governor's No. 32, Laws 1943), approved and effective May 21, 1943, created the Alabama State Markets Board, with power, inter alia, to acquire, construct, etc., cold storage, processing plants and rent same to consumers.

S. B. 341 (Governor's No. 298, Laws 1943), approved and effective June 29, 1943, created a Department of Labor to handle labor disputes and regulate union activities and affairs.

S. B. 188 (Governor's No. 310, Laws 1943), approved June 28, 1943, effective June 28 and June 30, 1943, provided general amendments of the Unemployment Compensation Law.

Failed. The following measures which were of general interest to REA borrowers failed to pass:

H. B. 40, amendatory bill concerning suspension of rate schedules of public utilities.

H. B. 356, amending existing provisions relating to powers and duties of Public Utilities Commission.

H. B. 377, relating to assignment of accounts receivable.

H. B. 472, concerning payments by the United States in lieu of taxes, in connection with hydroelectric development.

H. B. 473, concerning distribution of such payments in lieu of taxes.

H. B. 601, relating to duties of water power companies.

S. B. 143, relating to bond issues by public utilities.

S. B. 235, regulating professional engineers, etc.

S. B. 359, regulating engineers and land surveyors.

S. B. 395, regulating lobbyists.

S. B. 402, regulating the issuance of securities by utility companies.

D. 1945 Program

The 1943 session was the first session of the Alabama legislature since 1939. Prior to the 1939 session some question had arisen whether a state tax levied on the recordation of instruments conveying real or personal property applied to the recording of right-of-way easements. The Attorney General had held that the tax was applicable. An amendment was prepared exempting these instruments from the tax, but apparently no action was taken, the cooperatives being largely preoccupied with the passage of the Model Act at that session. Since the 1939 session there has been little agitation for amendment of the tax statute in this connection. The

experience of our borrowers should be reviewed prior to the 1945 session for the purpose of determining whether exemption should be sought.

Developments under the Public Nonprofit Corporation Act should be carefully followed. Depending on the extent to which the Act is used, it might be advisable to consider sponsorship of providing for Government financing and for representation of rural areas on the Board of Directors.

The current acquisition program in Alabama may disclose problems which will require legislative solution. Developments in this direction must be watched. Any affirmative legislative program should be planned with due consideration to TVA policy and programs in this state.

Prior to the convening of the 1945 session, a careful, complete appraisal of affirmative legislative needs should be made and an adequate statewide organization established not only for the purpose of fulfilling those needs but also for providing an appropriate vehicle through which to detect and combat inimical legislation.

1943 Arizona Legislation - Final Report
Session: January 11 to March 14, 1943

A. Affirmative Program

Model Act. The only REA cooperative in Arizona is organized under the Non-Profit Corporation Act. This statute has been generally satisfactory, although some consideration was given by that cooperative to the introduction of the Model Act. A conference was held with Governor Osborn and he agreed to include the Model Act in a future administration legislative program if the need for this statute could be established.

Arizona Power and Water Authority. H.B. 92 would have set up a state agency for the purpose of contracting with the Department of the Interior for Arizona's share of Boulder Dam power. The distribution in Arizona of firm power from Boulder is dependent upon the enactment of suitable state legislation. The defeat of this measure was attributable in part to late introduction. It was sponsored by the Citizens Protective Power Committee and active assistance was given by officials of the REA-financed Sulphur Springs Valley Electric Cooperative. H.B. 222 and S.B. 74 relating to the same matter, also failed of passage.

It appears from the recitals in H. Res. No. 8, that during joint hearings before the Senate and House Committees on Agriculture and Irrigation, and the House Committee on National Resources on the Authority bills, it was pointed out that the Salt River Valley Water Users' Association which is the largest distribution of power in Arizona has never been subject to the jurisdiction of the Corporation Commission, and that a representative of the association, testifying before these Committees, expressed the opinion that the Association's rates were and should be subject to review, investigation and regulation. H. S. Res. No. 8, adopted March 10, 1943, requested the Corporation Commission to exercise its jurisdiction over the Salt River Valley Water Users' Association and to review, investigate and regulate the rates being charged by the Association for electrical energy.

B. Defensive Program

H. B. 125, an electrical licensing and inspection measure is reported to have died in the Senate.

C. Collateral Legislation

Enacted. S.B. 72, conditionally approving the Colorado River compact, was enacted as Chapter 94, 1943 Session Laws, (approved and effective March 25, 1943). Under the compact Arizona receives 18% of the water and energy of the Colorado river. Effectiveness of Arizona's ratification is dependent upon the execution of a contract between the State and the Department of the Interior relative to the use of waters available to the State under the Boulder Canyon Project Act. This contract is subject to legislative ratification and approval of the Governor. H.B. 148 was the

House measure relating to this matter.

Acknowledgment of Instruments. H.B. 84, approved and effective on March 22, 1943 (Chapter 80, 1943 Session Laws), adopted the Uniform Acknowledgment of Instruments Act.

Post-War Planning. H.B. 90, approved and effective March 12, 1943 (Chapter 37, Session Laws 1943), the Post-War Planning Act, authorizes local (city and county) reserve funds and the creation of local boards for developing plans for local public works. The measure expires two years after the war.

H.B. 135, passed over veto and effective on March 1, 1943 (Chapter 16, Session Laws 1943) clarifies the excise revenue act by prohibiting the collection of a sales or excise tax on material "heretofore or hereafter" sold to a contractor and incorporated by him into work constructed under a contract, and on which he has paid a tax under the exise revenue act.

H.B. 149, approved and effective March 9, 1943 (Chapter 31, Session Laws 1943) enacts the "Municipal Revenue Bond Act of 1943" providing for construction, acquisition, improvement, operation, etc., of utility undertakings, including electric light or power systems, by any incorporated city or town. The Act requires that bond issues be submitted to the vote of real property taxpayers; it repeals Chapter 4, Session Laws of 1940, First Special Session, and Chapter 107, Session Laws of 1941 but validates any bonds lawfully issued under these Acts.

S.B. 131, approved March 19, 1943 (Chapter 52, Session Laws 1943) amends the Non-Profit Corporation Law (Sections 53-401 and 53-402, 1939 Code); these sections do not concern our sole cooperative borrower.

H.B. 56, approved and effective March 19, 1943 (Chapter 65, Session Laws 1943) amends the Workmen's Compensation Act with respect to the definition of "employee" etc., (Section 56-929, 1939 Code). H.B. 51, approved and effective March 19, 1943 (Chapter 64, Session Laws 1943) and H.B. 54, approved March 18, 1943 (Chapter 49, Session Laws 1943) amend the administrative provision of the Workmen's Compensation Act. H.B. 25, approved and effective March 6, 1943 (Chapter 26) enacted the "Arizona Occupational Disease Disability Law" to be administered by the Industrial Commission.

S.B. 70, approved March 19, 1943 (Chapter 56, Session Laws 1943) enacted the "Uniform Stock Transfer Act".

Failed. H.B. 86, creating a Board of Examiners for operating engineers, H.B. 210, a contractors' licensing bill, and H.B. 32, prohibiting advertising on the property of public utilities, failed to pass.

D. 1945 Program

The legislative needs of REA borrowers in Arizona will probably be governed by public power developments in that State. Governor Osborn will probably be agreeable to the inclusion of the Model Act in an administration sponsored program in the event of expansion of the cooperative electrification program. If future development in Arizona is carried out by irrigation districts or through some vehicle other than the cooperative, there would appear to be no need for introduction of the Model Act. The public power program in the West will undoubtedly require implementation with State legislation in order to secure an effective, economical distribution of power to users. REA may well have an important part to play in the distribution program; we should be ready to assist in direction of the program, in the field of legislation as well as in rendering financial and technical assistance. The developments in connection with the legislative consideration of the Water and Power Authority bills presage a possibility of extension of Corporation Commission jurisdiction. This should be closely watched.

Arkansas Legislation - Final Report
Session: January 11 - March 11, 1943

A. Affirmative Program

No affirmative program was undertaken by our borrowers.

B. Defensive Program

No restrictive measures came to our attention.

C. Collateral Legislation

Enacted. H.B. 322, approved and effective March 4, 1943, enacted the Uniform Acknowledgment Act.

H.B. 163, approved March 18, 1943 (Act No. 243, Acts 1943) amended the 1937 law relating to inspection of steam boilers.

Amendments of Employment Security Act. S.B. 240, approved and effective March 2, 1943, amended the contribution rate provision. S.B. 141, approved March 5, 1943, provided general amendments. S.B. 122, approved March 8, 1943, amended the Act in connection with seasonal employment. H.B. 478, approved March 18, 1943 (Act No. 263, Acts 1943) provided for benefits after termination of military service. H .B. 369, approved March 18, 1943 (Act No. 256, Acts 1943) made provision for successors to employers and termination of coverage.

Failed. S.B. 83, establishing county tax commissions to assist the Arkansas Corporation Commission in the assessment of ad valorem taxes, was withdrawn.

S.B. 26, regulating appeals from the Corporation Commission, was withdrawn.

H.B. 96, amending section 11388, Pope's Digest, to protect buyers of property under conditional sales contract, died on the calendar after being withdrawn from the Committee on Public Service Corporations.

H.B. 314, authorizing the Governor to appoint a State Plumbing Commission, died on the calendar.

Revenue Bond Measures. H.B. 334, authorizing the issuance of revenue bonds for the purchase of electric transmission and distribution facilities by first and second class cities and unincorporated towns was defeated in the House 35-57. S.B. 366, a companion bill to H.B. 334, was withdrawn in the Senate after a favorable Committee report. H.B. 483, another revenue bond bill covering municipal electric systems, died on the calendar.

D. 1945 Program

The need for amendment of the Electric Cooperative Corporation Act continues. Cooperative experience in connection with the Ark-La development indicates definitely the necessity for eliminating all jurisdiction of the Public Utilities Department over cooperatives. Continuing Commission regulation threatens proper development of rural electrification in Arkansas and maximum utilization for rural electrification of the power sources now operated by the Southwestern Power Administration. Less pressing is the need for amendment of the Act to provide for

(a) Bylaw amendments by members,

(b) Revision of the section on distribution of revenues,

(c) Removal of limitations on use of names,

(d) Qualification of foreign cooperatives.

These amendments are, however, desirable, and appropriate legislation looking toward their enactment should be sponsored if the legislative situation is favorable.

It would seem advisable to take steps in the very near future to stimulate the interest of the Arkansas State Electric Cooperative or any other appropriate statewide group in planning effective legislative action in the 1945 legislature.

California Legislation - Final Report
Session: January 4 - May 5 (8), 1943

A. Affirmative Program

There are six REA-financed rural electrification enterprises in California, five of which are organized and operate under the Non-Profit Corporation Act, the sixth being an irrigation district. No affirmative legislative program is reported to have been undertaken by our borrowers.

B. Defensive Program

No organized activity in opposition to legislative proposals is reported on the part of our borrowers. Scores of bills relating to irrigation districts, including bills affecting the distribution of power by the districts, were introduced. In view of our very limited participation in the electrification programs of the irrigation districts and because of the magnitude of the task, these bills were not closely followed during the session. The next section of this report lists the irrigation district measures which were enacted; bills relating to nonprofit corporations are also reported there.

C. Collateral Legislation

During the 1943 session, 1223 bills and resolutions were introduced in the Senate, 2174 in the House. Of the 3131 bills introduced, 1137 were enacted into law. It was impossible to follow all of these measures from long distance. The analysis of the bills finally enacted was a laborious task, the more so since the official published laws were not available at the time of the writing of this report. The following listing is based on material and information now available and is not represented to be complete.

Enacted

Amendment of Non-Profit Corporation Law. A.B. 325, amending section 605 e of the Civil Code, relating to the disposition of assets of nonprofit corporations upon dissolution or winding up; approved by the Governor on May 12, Ch. 386.

Irrigation Districts A.B. 1854 (S.B. 988), providing for the limiting of service areas by the California Districts Securities Commission between public utilities and irrigation districts engaged in the sale of electric power; approved and effective May 17, 1943, Ch. 552.

A.B. 1853 (S.B. 990), providing for the limiting of service areas by the Railroad Commission between public utilities and irrigation districts engaged in the sale of electric power; approved and effective May 17, 1943, Ch. 553.

A.B. 1853 and A.B. 1854 are practically identical; each restricts the exercise of jurisdiction by the respective Commissions to their respective spheres. Each provides that the appropriate Commission shall act on

petition of the utility or of the district and that service area limitation shall not be effective until the other Commission has acted. The jurisdiction conferred by these laws is predicated upon the voluntary filing of petitions by the untilities and districts involved and is exercised by the approval of contracts providing for area limitation.

A.B. 1127, amending the Irrigation District Act and the Water Code, relating to the assessment and redemption of property; approved May 20, 1943, Ch. 648.

A.B. 1239, amending the Water Code, relating to irrigation district assessments, was approved by the Governor on May 31, 1943, Ch. 916.

A.B. 1247, amending the Water Code, relating to bonds of irrigation districts; approved by the Governor June 7, 1943, Ch. 1054.

A.B. 1294, repealing sections 22900-22906, inclusive, of the Water Code, relating to the distribution of electric power in irrigation districts containing 500,000 or more acres; approved May 17, 1943, Ch. 531.

A.B. 1296, amending the Water Code, relating to refunding bonds of irrigation districts; approved by Governor May 21, 1943, Ch. 684.

A.B. 1299, amending the Water Code, relating to warrants of an irrigation district; approved by Governor May 21, 1943, Ch. 685.

A.B. 1300, amending the laws relating to the government, operation, and functions of irrigation districts having an area of over 500,000 acres; approved by Governor May 21, 1943, Ch. 686; S.B. 643 was a companion bill.

A.B. 1301, amending the Water Code and the 1919 Law, relating to the acquisition, development, and disposal of electrical power by irrigation districts and to the borrowing funds and the issuance of warrants and securities by irrigation districts; approved by Governor May 21, 1943, Ch. 687; S.B. 642 was a similar bill.

S.B. 267, amending the Water Code, relating to the appointment or election of officers of an irrigation district; approved June 1, 1943, Ch. 945.

S.B. 948, amending the Water Code, revising and consolidating the law relating to the financial supervision of irrigation and other public districts; approved May 13, 1943, Ch. 371.

S.B. 949, amending the Water Code, revising and consolidating the law relating to the supervision, regulation and conduct of irrigation districts; approved May 13, 1943, Ch. 372.

Public Utility Districts A. B. 399, amending section 43 of the 1921 Act, providing for public utility districts in unincorporated territory, in relation to powers of the board; approved May 2, 1943, Ch. 313.

S.B. 108, amending section 39 of the Public Utility District Act, relating to taxation by public utility districts; approved May 18, 1943, Ch. 555.

Municipal Utility Districts S.B. 122, generally amending the 1921 municipal utility district law; approved and effective Feb. 9, 1943. Ch. 24.

S.B. 239, adding Section 30 to the 1921 municipal utility district law, relating to the exclusion of territory; approved May 17, 1943, Ch. 514.

A.B. 669, amending the 1921 municipal utility district law in respect of powers of such districts and civil service status of employees; approved May 2, 1943, Ch. 317.

Public Utilities S.B. 562, amending section 50¼ of the Public Utilities Act, relating to fees for applications for certificates of public convenience and necessity; approved April 24, 1943, Ch. 215.

Reclamation Districts S.B. 268, amending the law creating Reclamation District No. 1500 concerning the election and duties of trustees and the management and control of the district; approved May 15, 1943, Ch. 453.

Water Resources Development S.B. 947, amending the Water Code by adding a new Division 6, relating to the conservation, development and utilization of the water resources of the State; approved May 13, 1943, Ch. 370.

S.B. 986, amending section 11102 and repealing section 11600 of the Water Code, relating to the Central Valley Project; approved May 13, 1943, Ch. 376.

S.J.R. 10, memorializing the President, the Congress, the Secretary of the Interior, and the War Production Board with respect to the urgency of prompt completion of all units of the Central Valley Project, was adopted in both Houses, Ch. 33.

Cold Storage Locker Plants A.B. 635, adding additional sections to the Fish and Game Act, relating to storage locker plants; approved May 2, 1943, Ch. 346.

A.B. 666, amending section 1 of the 1913 cold storage law in respect of certain definitions; approved May 29, 1943, Ch. 869.

Easements A. B. 387, a "Public Service Easements Vacation Act", authorizing municipal and county governments to vacate certain unused easements; approved May 26, 1943, Ch. 774.

Statute of Limitations A.B. 1993, amending section 338 of the Code of Civil Procedure, relating to limitation of actions, imposing a three-year bar on actions for trespass upon or injury to real property; approved

June 3, 1943, Ch. 1025.

Cooperative Marketing Associations A.B. 1505, amending sections 1196, 1200, 1201, 1202 of the Agricultural Code, relating to articles of incorporation, bylaws, and purposes; approved May 15, 1943, Ch. 474.

Motor Vehicles A.B. 856, amending section 186 of the Vehicle Code, establishing requirements for transfer of title or interest in motor vehicles; approved June 8, 1943, Ch. 1129.

Acknowledgments A.B. 541, authorizing acknowledgments of persons in the armed forces to be taken by officers thereof; approved and effective May 12, 1943, Ch. 365.

A.B. 354, authorizing proof or acknowledgment of instuments abroad before designated officials, or before officers in the armed forces in the case of military or naval personnel; approved and effective February 9, 1943, Ch. 354.

Assignment of Accounts Receivable S.B. 136, relating to the assignment of accounts receivable and providing for notice thereof; approved May 26, 1943, Ch. 766.

Planning S.B. 807, establishing a State Reconstruction and Reemployment Commission as the planning agency for development of State Resources, replacing the State Planning Board; approved May 20, 1943, Ch. 631.

Unemployment Insurance and Workmen's Compensation A large number of measures amending both of these Acts were introduced; more than a score were enacted into law. These bills are not reported here because of their number. However, fairly detailed information as to their provisions is available and will be supplied upon request.

Failed

Amendment of Non-Profit Corporation Law A.B. 1347, amending sections 595, 596, and 605 of the Civil Code relating to nonprofit corporations, passed both Houses but was pocket vetoed by the Governor.

A.B. 1349, adding a new section, 291.4, to the Civil Code, relating to the abondonment of names of nonprofit corporations, failed in the House.

Irrigation Districts A.B. 273 and A.B. 717 would have amended the 1935 law and the sections of the Water Code relating to liability of irrigation districts, including the filing of claims.

A.B. 1241, amending the Water Code, relating to the formation of improvement districts within irrigation districts.

A.B. 1244, amending the Water Code, relating to exclusion of land from irrigation districts.

A.B. 1245, amending the Water Code, relating to the inclusion of land into an irrigation district.

A.B. 1246, amending the Water Code, relating to the general powers of irrigation districts.

A.B. 1248, amending Water Code, relating to warrants of irrigation districts.

A.B. 1298, amending Water Code, relating to offices of assessor and collector of irrigation districts.

A.B. 1302 and S.B. 645 would have amended the California Districts Securities Act in connection with the certification of bonds, and investigations and reports relating thereto.

A.B. 1303 and S.B. 644, relating to the names of irrigation districts.

A.B. 1304, relating to the issuance of warrants by an irrigation district.

A.B. 1718, relating to the property of irrigation districts.

A.B. 1856 and S.B. 989, relating to the issuance of bonds and the refunding of bonds and warrants.

S.B. 266, amending the Irrigation District Act, relating to the appointment or election of officers; passed by both Houses but was pocket vetoed.

S.B. 641, amending the Irrigation District Act relating to changing names, issuance of warrants, and officers.

Public Utility Districts A.B. 270, amending section 51 of the Public Utility District Act, relating to the filing of claims against public utility districts.

A.B. 759 would have amended section 30 of the 1921 act relating to the incorporation and operation of public utility districts in unincorporated territory; passed the House, failed in the Senate.

Municipal Utility Districts S.B. 22, generally amending the 1921 law in respect of election and terms of office of directors, power to acquire, construct, operate properties, incur indebtedness, levy and collect taxes, exercise the power of eminent domain, etc.

Public Utilities S.B. 761, amending the Public Utilities Act, relating to electrical corporations, died in the Senate.

A.B. 1667 would have furnished relief to obligors under contracts with public utilities and would have provided for adjustments of deposits for obtaining extensions of transmission lines and other facilities.

A.B. 2010, S.B. 1087 would have amended section 10 of the Public Utilities

Act, relating to salaries of the Commissioners.

A.B. 390 would have amended the Public Utilities Act to prohibit discrimination in employment by public utilities.

A.C.A. 3 proposed to amend Constitution by changing the name of the Railroad Commission to Public Utilities Commission.

A.C.A. 12 proposed to amend Constitution by requiring appointments to Railroad Commission to be confirmed by the Senate.

Reclamation Districts A.B. 1939, amending the law relating to reclamation districts, was pocket vetoed.

Water Resources Development S. J. R. 4, memorializing Congress to make an additional appropriation for completion of Madera and Friant-Kern Canals in the Central Valley Project and requesting WPB to grant priority for necessary material.

Cold Storage Locker Plants S.B. 295, requiring reports of operators of refrigeration plants concerning meats stored or kept for other persons, failed in the Senate.

Unemployment Insurance A.B. 1334, exempting employees of nonprofit corporations or associations from tax; passed House, failed in Senate.

Miscellaneous A.B. 1368 would have amended the law relating to the jurisdiction of the Contractors' State License Board.

A.B. 822, relating to licensed contractors, passed the House but died in Committee in the Senate.

A.B. 1403 and 1404, relating to the practice of civil engineering.

A.B. 1945, amending the law relating to conditional sales contracts, furnishing definitions, prescribing the form and contents of such contracts and the rights and obligations of buyers, sellers, etc.

D. 1945 Program

The high percentage of rural electrification in California (86.7 percent on June 30, 1943) and the fact that our cooperative-borrowers in California appear to be operating satisfactorily under the Non-Profit Corporation Act, would seem to indicate that there is no necessity for seeking enactment of the Model Act. It now appears that the acquisition program may encounter problems which will require legislative solution. However, it is too early at this time to determine whether legislation will be sought. The situation should be restudied shortly before convening of the 1945 legislature.

The conflict between private and public power continues in California.

The enactment of A.B. 1853 and A.B. 1854, referred to above, is an interesting development. The extent to which the area limitation procedures provided by these two measures is employed should be determined. These bills may be the opening wedge for a compulsory program of area limitation. As new public power sources are brought into operation, the competition between private companies and publicly owned power agencies may be expected to become more acute. The outcome of the struggle, which will undoubtedly be fought in part at least before the legislature, must necessarily affect our borrowers' operations. For that reason we should study all aspects of it and keep informed. This is no small task in the legislative field because of the tremenduous volume of bills which are introduced in each session of the legislature. However, it is one which should be adequately performed and the necessary machinery for doing it should be designed and established.

1943 Special Sessions

Two special sessions were held by the California legislature, the first convening on January 28 and adjourning on January 30, the second convening on March 20 and adjourning on March 25. These sessions were called for technical purposes. No legislation affecting the rural electrification program was considered.

Colorado Legislation - Final Report
Session: January 6 - March 30, 1943

A. Affirmative Program

Electric Cooperative Act The Executive Committee of the Colorado REA Cooperatives sponsored the Model Act and caused introduction of the measure, H.B. 413, early in the session by Representatives, Thomas, Carlson, McGill, Kerr, Ogilvie, Miller and Schooley. Representative Carlson lead the fight for enactment. The bill was referred to the House Judiciary Committee and strong opposition was encountered from the outset. The private utility lobby did not openly oppose the bill, but suggested a series of crippling amendments, all of which were adopted by the Judiciary Committee. The principal amendments suggested were (1) an undesirable definition of "rural areas", (2) elimination of the provision exempting REA cooperatives from jurisdiction of the Public Utilities Commission, and (3) elimination of the exemption from excise and income taxes. In its altered form the Committee was prepared to report the bill favorably. REA cooperative representatives held conferences with the sponsors and instructions were given to withdraw the bill completely from consideration of the legislature. In its amended form the bill might have been more detrimental than beneficial to our Colorado borrowers as it might leave the cooperatives open to the claim that the legislature intended to submit the cooperatives to commission jurisdiction. The legislative campaign was hampered to a considerable extent by the introduction late in the session of the Colorado Power Authority Bill, a measure sponsored by Cities Service Power and Light Company and its subsidiary, Colorado Public Service Company. The cooperatives were well organized and failure of the Model Act at the 1943 session is traceable chiefly to prevailing political attitudes in the state, coupled with an unusually strong utility lobby organized to campaign for enactment of the Power Authority Bill.

B. Defensive Program

Colorado Power Authority Bill As S. B. 173, H.B. 283, this measure was sponsored by Cities Service Power and Light Company, to set up a quasi-public power unit for the purchase of the Colorado Public Service Company. This bill was potentially restrictive to further REA development in Colorado. One of the objectionable features was the prohibition against construction in the Authority's territory which might be used by an unfriendly administration to prevent public or cooperative power development in substantial areas of the state. The grant of powers to the Authority was broad and included the power to take any action necessary in connection with any phase of development of distribution of electric energy within the state. The Corporation Committee of the House summoned REA cooperative representatives to appear and testify on this measure. Neither the Senate nor the House measure was enacted. H. Res. 4, adopted March 25, 1943, established an Interim Committee to consider further the necessity for legislation such as H.B. 283 and to report its findings to the Governor.

The Senate, on March 21, 1943, adopted S. Res. 6, reciting the existence of controversy and dispute over the proposed Colorado Power Authority Act, the pressure and lobbying in connection therewith, and establishing a Senate Committee to make a complete investigation of activities in connection with the proposed legislation, including those of State officials, agents, etc., of Cities Service and Colorado Public Service Company, and affiliated companies, and to report its findings and recommendations to the Governor, the Speaker of the House and the President of the Senate (the report to be a public document in the committee chairman's hands).

C. Collateral Legislation

Enacted. H.B. 281, approved and effective March 13, 1943 (Ch. 152, 1943 Session Laws), amended Chapter 181, 1941 Session Laws (H.B. 1162, 1941 Session) in respect of electrical construction by substituting the Fifth Edition for the Fourth Edition of the National Electrical Safety Code, and by repealing section 35 of Chapter 143 of the Colorado Statutes, relating to the use of wire braces over public highways in electrical and other construction.

H.B. 153, approved and effective February 27, 1943 (Ch. 86, 1943 Session Laws), provides for the taking of acknowledgments of persons in the armed forces.

S.B. 77, approved and effective April 16, 1943 (Ch. 89, 1943 Session Laws), made provision for the consolidation and merger of mining, manufacturing and business corporations, repealing Ch. 109, 1941 Session Laws.

S.B. 107, approved and effective March 15, 1943 (Ch. 123, 1943 Session Laws), approved the Republican River Compact and repealed Chapter 230 of the 1941 Session Laws.

H.B. 209, approved and effective March 20, 1943 (Ch. 128, 1943 Session Laws), made provision for the dissolution of public irrigation districts (mutual water conservation districts).

S.B. 133, approved and effective February 25, 1943 (Ch. 191, 1943 Session Laws), as amended by H.B.331, approved and effective April 20, 1943 (Ch. 192, 1943 Session Laws), amended section 13 of the Water Conservancy Act relating to general powers thereof. The generating or distributing of electrical energy "except for the operation of the works and facilities of the district" is prohibited.

S.B. 224, approved April 20, 1943 (Ch. 87, 1943 Session Laws), amended section 204, Chapter 40 of the Colorado Statutes, relating to the registration of land.

H.B. 236, approved and effective April 20, 1943 (Ch. 177, 1943 Session Laws), reenacted the Public Revenue Service Tax Act of 1937, imposing a 2 per cent tax on the rendition of service.

Workmen's Compensation H. B. 545, approved and effective April 20,1943 (Ch. 133, 1943 Session Laws), amended the Workmen's Compensation Act in relation to the disposition of unexpended receipts.

H.B. 568, approved and effective April 20, 1943 (Ch. 132, 1943 Session Laws), amended the Act in connection with compensation for minors.

S.B. 29, approved and effective March 17, 1943 (Ch. 135, 1943 Session Laws), amended the provisions of the Act relating to review of awards by the Commission.

H.B. 385, approved and effective March 15, 1943 (Ch. 134, 1943 Session Laws), amended the provisions of the Act relating to notice and procedure.

Unemployment Compensation S.B. 293, approved and effective April 20, 1943 (Ch 189, 1943 Session Laws), generally amended the Unemployment Compensation Act.

Failed. The following bills, relating to the indicated subject matter, failed of passage:

Four measures, H.B. 88, H.B. 89, S.B. 13 and S.B. 14, relative to highway zoning.

H.B. 522, amending the Cooperative Marketing Association Act.

H.B. 357, amending the public utilities law.

H.B. 467, providing for investigation of Utilities Commission.

S.B. 136, S.B. 171, relating to the Public Utilities Commission.

H.B. 300, H.B. 384, S.B. 105, relating to irrigation districts.

H.B. 212, S.B. 107, relating to the Republican River Compact.

H.B. 202, H.B. 624, relating to cold storage plants.

H.B. 304, S.B. 230, concerning eminent domain.

H.B. 308, concerning chattel mortgages.

D. 1945 Program

Despite the failure of the attempts in 1941 and 1943 to secure enactment of the Model Act, it would seem advisable to seek its passage in the 1945 session. The Colorado cooperatives are now well organized under capable leadership. While there is no assurance of success in the 1945 session, Colorado is one of those states in which continued effort is required to achieve ultimate success.

As indicated above, Chapter 181 of the 1941 Session Laws (H.B.1162) was amended during the 1943 session. The question of application of this law to our borrowers is apparently still pending. It involves the question of the Public Utilities Commission's jurisdiction. This issue was also raised recently in connection with the Colorado program. The subject may well be one considered by the legislature in 1945; it should be watched.

The reports of both the House and Senate committees on the Colorado Power Authority issue should be carefully examined. These reports will, in all likelihood, guide the action of the legislature in 1945. Proceedings are currently pending before the Securities and Exchange Commission in connection with the proposed sale by Cities Service Power & Light Company to the public of all the common stock of Public Service Company of Colorado. This development would, of course, introduce a completely new factor into the "public power fight", so called, in Colorado.

1943 Connecticut Legislation - Final Report
Session: January 6 to May 19, 1943

A. Affirmative Program

There has been no electric cooperative development in Connecticut. The Model Electric Cooperative Act was passed in 1941 but as yet no cooperatives have been organized thereunder. There now appears to be little likelihood of electric cooperative development in this State.

B. Defensive Program

None.

C. Collateral Legislation

Enacted. S.B. 116, Chapter 111, Laws 1943, approved April 9, 1943, amends section 615f of 1941 Cumulative Supplement relative to independent comprehensive audits of public service companies. H.B. 1104, Chapter 266, Laws 1943, approved and effective June 2, 1943, authorizes the Governor to appoint a Post-War Planning Board to plan readjustment and reconversion of agriculture, etc., from a war-time to a peace-time basis; the life of the Commission expires July 1, 1945.

Failed. The following bills relating to matters of general interest in the utility field were introduced and failed of passage:

S.B. 2 - relating to municipal ownership of public utilities.

S.B. 6 - concerning membership of the Public Utilities Commission.

S.B. 113, 116, 667, 706 and 726 concerning the powers and duties of the Public Utilities Commission.

S.B. 454 and 708 - relating to hearings and summary investigations by the Public Utilities Commission.

S.B. 721 - providing for uniform methods of accounting and depreciation rates for public utility companies.

S.B. 723 - relating to regulation of consumer rates.

S.B. 724 - relating to declaration of dividends on capital stock by public utility companies.

H.B. 611 - Requiring notice of termination of public utility service to consumers.

The following bills relating to miscellaneous matters are of interst:

H.B. 588 - relating to cooperative associations.

H.B. 1085 - providing for the filing of chattel mortgages.

H.B. 1087 - relating to future advances on real estate mortgages.

H.B. 1088 - concerning the removal of easements and restrictions on lands which are not used.

H.B. 1294 - relating to explosives.

H.B. 1356 - relating to the exemption from taxes of United States property.

H.B. 1252 - flood control Act.

D. 1945 Program

In the absence of any electric cooperative development in Connecticut there now appears no need for further legislation.

1943 Delaware Legislation - Final Report
Session: January 5 to April 9, 1943

A. Affirmative Program

There were no problems requiring legislative solution and no legislation was sponsored by the Delaware Rural Electric Association, our sole Delaware borrower.

B. Defensive Program

Commission Regulation. H.B. 124 proposed to create a Public Service Commission with complete regulatory powers over public utilities. While the term"public utility" as defined in this bill might be construed not to include electric cooperatives, there was a definite danger that the bill might extend to electric cooperatives. However, no position was taken with respect to the measure by the Delaware Rural Electric Association as the bill died in Committee.

C. Collateral Legislation

Enacted. S.B. 36, approved April 2, 1943, enacted the "Explosives Act", regulating the manufacture, sale, distribution, use and possession of explosives. It is to remain in effect until May 15, 1947. S.B. 5, approved March 12, 1943, consisted of a series of amendments to the Unemployment Compensation Law. S.B. 84, approved April 15, effective July 1, 1943, changed some of the administrative provisions of the Unemployment Compensation Law. S.B. 107, approved April 15, 1943, amended the General Corporation Law, Chapter 65, Rev. Code of 1935, in various particulars, including the provisions relative to dissolution, consolidation or merger and change of location of principal office.

D. 1945 Program

No affirmative legislative needs now appear. It is anticipated that the bill creating a Public Service Commission will be reintroduced, in which event steps should be taken to provide specific exemption of electric cooperatives from Commission regulation.

1943 Florida Legislation - Final Report
Session: April 8 to June 4, 1943

A. Affirmative Program

Tax Legislation. H.B. 744, providing that rural electric cooperative membership associations should be considered public agencies, died on the House Calendar. A companion bill, S.B. 474, had previously passed the Senate. Both of these bills were intended to exempt the cooperatives from all taxation.

H.J.R. 105, a bill providing for an amendment to the Florida Constitution exempting REA-financed lines from all ad valorem taxation for a period of 25 years. This measure was favorably reported by the House Committee on Taxation but failed to receive in the House the required 3/5 vote necessary for constitutional amendments. The House vote was favorable, however, by a vote of 50 to 33. S.J.R. 432 was the companion bill in the Senate. H.B. 8, which would have exempted all rural electric cooperative properties from taxation, died in the House.

Lack of organization and inadequate planning were responsible in part for this defeat. Another contributing factor to the defeat was the disinclination of the legislature to exempt revenue producing property from the tax rolls.

Limitation on Actions. S.B. 277, providing for a 2-year statute of limitations on actions of trespass involving rights of way, passed the Senate but was defeated in the House. A companion measure, H.B. 388, died in the House Committee.

Eminent Domain. S.B. 278, granting to rural electric cooperatives the right of eminent domain, was passed by the Senate but died in a House Committee. A companion measure, H.B. 389, was not reported by the Committee.

B. Defensive Program

Commission Regulation. H.B. 435 would have subjected all utilities in the State, including REA borrowers, to the jurisdiction of the Board of Railroad Commissioners. This measure which would have required the REA cooperatives to obtain certificates of convenience and necessity was introduced after the session was somewhat advanced. Prompt action by all of the cooperatives with the assistance of the municipalities was responsible for the bill's eventual defeat. At the cooperatives' request, the Committee excluded municipalities and cooperatives from its terms. A similar bill, H.B. 448, was withdrawn in the House.

H.B. 765, a measure providing for the enlargement of the Board of Railroad Commissioners and providing for election of the Commissioners by congressional districts, was defeated.

C. Collateral Legislation

Enacted. H.B. 490, approved and effective June 10, 1943, exempts municipal public utility properties running into another county from taxation in that county.

H.B. 650, approved and effective June 14, 1943, relates to joint use of telephone facilities; enforcement is delegated to the Railroad Commission.

S.B. 686, which became a law without approval on June 14 and becomes effective after a majority vote of the City voters at a special election, creates the Fernandina Utilities Commission with authority to acquire, operate, etc., electric utility properties of the Florida Public Utilities Company on Amelia Island, Nassau County. The Commission is authorized to issue revenue bonds.

S.B. 557, a law without approval on June 3, 1943, amends the City Charter of Marianna to require submission to the electors of any proposal to acquire or construct electric, etc., utility facilities.

S.B. 80, approved and effective May 13, amends Section 192.06, Florida Statutes 1941, relating to property exempt from tax, so as to authorize taxation of United States property as shall be subject to taxation under Federal law. H.B. 367 relating to the same subject matter died in the House.

S.B. 40, approved and effective May 5, 1943, directed the Florida Attorney General to study Federal legislation to determine encroachment on the constitutional integrity of the State; to advise States' representatives in Congress thereon. The bill authorizes him to employ the Council of State governments to assist in performing these duties.

H.B. 517, which became a law without approval and effective on June 14, 1943, empowers Boards of County Commissioners in counties having a population of not less than 210,000 to adopt zoning regulations.

S.B. 542, approved and effective June 11, 1943, amends the 1941 act relative to the regulation, manufacture and sale of explosives.

S.B. 255, approved and effective May 12, 1943, amends the law regulating the sale of securities and regulation of dealers.

H.B. 366, approved and effective May 31, 1943, enacts the Uniform Stock Transfer Act.

H.B. 42, approved and effective May 13, 1943, amends section 693.03, Florida Statutes 1941, relating to acknowledgments of instruments by married women. H.B. 152, approved and effective May 24, 1943, provides for acknowledgments of members of the armed forces before commissioned officers.

H.B. 473, 474, and 475, all approved and effective June 10, except H.B. 475 which was effective July 1, amend the Unemployment Compensation Law in many respects. H.B. 372, approved May 24, effective July 1, amends the Workmen's Compensation Law by providing an increase in employer's liability and by authorizing certain medical treatment to be ordered by the Industrial Commission.

H.B. 950, approved June 5, 1943, effective in part on June 5 and in part on January 1, 1944, generally amends the provisions of the intangible tax laws, relative to classes of intangible personal peroperty, rates of taxation, and disposition of revenue.

S.B. 240, approved and effective May 24, 1943, provides that in the event of tax sales, title transferred shall continue to be subject to easements for power transmission and other public service purposes, provided that the easement is evidenced by proper recording or by visible occupation by poles, wires, etc.

H. B. 309, approved and effective May 31, 1943, enacts the "Municipal Post-War Reserve and Planning Act of 1943", empowering cities, towns and villages to establish post-war public works reserve funds and make plans and surveys for post-war projects.

Failed. H.B. 423 which would have prohibited dicontinuance of utility service for non-payment of bills was withdrawn in the House. S.B. 312 which would have subjected certain kinds of public utility properties to ad valorem taxes died in the Senate. H.B. 286, proposed an amendment in the laws relative to power rights of drainage districts. H.B. 245 related to the manner of incorporating non-profit corporations.

D. 1945 Program

Further attempts to obtain legislation placing the cooperatives under the jurisdiction of the Railroad Commission can be anticipated. A concerted attempt is being made by the private companies to have REA development in Florida regulated. All of the major power companies in the State had representatives in Tallahassee to work for the passage of H.B. 435. The companies openly claimed that the jurisdiction measure was designed to provide a forum for adjustment of differences between the private power companies and the cooperatives.

Tax exemption legislation should not be initiated in Florida until it can be reasonably expected that the measure will be successful. The public discussion incident to the tax exemption bill at the 1943 session undoubtedly was detrimental to the cooperatives' best interests. The REA-financed cooperatives must have a better organization both for affirmative legislative purposes and for prompt action on the defensive side. Steps have already been taken in this direction.

1943 Georgia Legislation - Final Report
Session: January 11 to March 18, 1943

A. Affirmative Program

No affirmative program was undertaken as there appeared to be no operational problems requiring legislative solution.

B. Defensive Program

Taxation. Two bills, H.B. 310 and 523, imposing taxes on electric power consumption were opposed by representatives of the Georgia cooperatives; both were defeated. H. B. 310 proposed a tax of one mill per kilowatt hour on electricity, the tax to be distributed to the counties on a highway mileage basis. H.B. 523 provided for a levy by the counties of a tax on electricity.

H.B. 208 would have levied ad valorem taxes on property owned by the Federal government or agencies thereof. Spirited debate disclosed that curtailment of Federal power development was the chief aim of the sponsors. Opponents of the bill emphasized the benefits accruing to the state from Federal development of national resources and charged the Georgia Power Company with seeking, through enactment of the bill, to prevent further development. The bill passed the House, 112 to 0, and the Senate, 34 to 12, but was vetoed by the Governor.

Power Development. S.B. 191, creating a South Georgia Utility District, was opposed by the elctric cooperatives. The bill as introduced did not contain provisions which would have protected existing cooperative lines. Some suspicion was voiced as to its sponsorship and the motives behind it; it failed to come out of committee.

C. Collateral Legislation

Enacted. H.B. 361, Governor's No. 316, approved March 15, 1943, creates a Board of Examiners in De Kalb County for the examination and certification of electricians. S.B. 61, Governor's No. 176, approved February 26, 1943, amends a 1937 law providing for examination of master electricians in counties with a population of 150,000 or more, by reducing the cost of renewal certificates. Neither of these bills affect areas in which there is any appreciable rural electrification development.

S.B. 180, Governor's No. 424, approved March 20, 1943, proposed an amendment of Article IV, Section 2 of the Georgia Constitution, by establishing the Public Service Commissioners as constitutional elective officers. This proposal appeared on the ballot at the general election held on August 3 and was adopted.

H.B. 391, Governor's No. 391, approved March 20, 1943, amends Title 113 of the Georgia Code to authorize administrators and executors to convey rights of way and easements to the United States, the State of Georgia, or any person or corporation having the right of eminent domain.

S.B. 81, Governor's No. 405, approved March 20, 1943, amends Georgia Laws 1937, pages 760-1, to permit trustee or representative under deed of trust of personal property to execute extension affidavits.

H.B. 333, Governor's No. 352, approved March 18, 1943, amends Sections 65-203, 206 of the 1933 Georgia Code relating to the 1921 non-profit cooperative association act by permitting 50 year charters (formerly limited to 20 years) and by allowing members of forestry associations to have more than one vote.

H.B. 544, Governor's No. 320, approved March 15, 1943, amends the charter of the Town of Palmetto to provide that its electric and steam plants and distribution lines may not be sold except after assent of two-thirds of the voters at an election held for that purpose.

H.B. 16, Governor's No. 374, approved March 10, 1943, creates the "Agricultural and Industrial Development Board of Georgia", consisting of 21 members, including the Chairman of the Public Service Commission, other state officials, and 15 citizens at large. Its duties comprise the coordination of agricultural and industrial development programs, advertising state resources and planning development thereof. It is authorized to accept grants from the United States and other sources.

H.B. 95, approved January 29, 1943, authorizes the creation of a Cobb County Planning Commission.

Failed. S.B. 19, relating to the registration of explosives, failed. H.B. 111 proposed to amend the charter of Waycross by creating a city authority to construct, operate and maintain self-liquidating utilities.

D. 1945 Program

Except for the possibility that developments in the Georgia acquisition program may require amendment of the laws relating to municipal utilities, there does not appear to be any need for new legislation. There is, however, one serious problem to be solved, the development of an adequate source of legislative intelligence. Little cooperation was received from the three project attorneys who served in the 1943 House, or from any other source during the session. It was consequently impossible to determine at any time what was transpiring. This obviously impaired the legislative effectiveness of our borrowers whose support or opposition could have been marshalled only on the basis of timely information. There appears to have been no attempt made to coordinate legislative information and activity locally. In view of the absence of an affirmative program, there was no occasion for organizing a statewide committee. Because bills are not printed until a very late stage in the Georgia legislative process, legislative intelligence is quite difficult to obtain. However, it is important to the Georgia rural electrification program that bills be examined as they are introduced, that those affecting the program be followed and that their contents be communicated to all the cooperatives for appropriate action. This should be the first aim of the 1945 program. If the cooperatives can identify their legislative problems, they are well equipped to meet them.

First Special Session -- 1943
September 27 to October 1, 1943

This session was limited to consideration of prison reform legislation.

1943 Idaho Legislation - Final Report
Session: January 4 to February 27, 1943

A. Affirmative Program

Tax Legislation. A program seeking exemption from ad valorem taxation was sponsored by the Idaho REA cooperatives acting through the Statewide Association. Attorney Ezra Whitla, of Coeur d'Alene, was retained to advise the Association and to coordinate the efforts of the cooperatives.

H. B. 18, which would have amended the existing law covering exemption from property taxation by adding the property of "nonprofit electrical cooperatives" to the list declared exempt, was sponsored by the cooperatives. Organization of the Idaho projects was not complete and some difference of opinion developed as to the advisability of seeking complete exemption. H. B. 18 remained in the Revenue and Taxation Committee for some time and it was impossible to obtain a favorable vote. Reports indicated that the Idaho legislature was willing to provide some relief for our borrowers but that a complete exemption bill could not pass. In order to be in a position to effect a compromise, the cooperatives arranged for the introduction of H. B. 149 providing that the property of the REA-financed cooperatives should be assessed at the rate of $20 per mile of electric transmission or distribution line. H. B. 108 providing that the property of rural electrification associations be assessed for all tax purposes by the State Board of Equalization was also introduced.

An attempt was also made to obtain favorable consideration for a 3 per cent gross receipts tax in lieu of all other ad valorem taxation. The legislators friendly to the program favored such a bill. However, a difference of opinion developed between the cooperatives and efforts for a gross receipts tax were discontinued. When it appeared that both H. B. 18 and H. B. 149 would be defeated, both measures were withdrawn. After receiving assurances from the Attorney General that the State Board of Equalization would assess the property of the cooperatives at a nominal value, full support was given to H. B. 108. This measure was enacted and approved by the Governor on February 17, 1943 (Ch. 63, 1943 Session Laws).

B. Defensive Program

Taxation. H. B. 114 provided that for purposes of taxation "land" should include all buildings, structures and improvements or fixtures of any kind. This measure was opposed and expired on the House calendar.

Highway Crossings. S. B. 49, a bill providing authority for the boards of county commissioners to order higher electrical construction at crossings of public roads, highways or private ways, was opposed by the cooperatives and withdrawn by the sponsor. This measure set 25 feet as the minimum height to which crossing construction should be erected.

C. Collateral Legislation

Enacted. H. B. 139, approved February 26, 1943 (Ch. 139, 1943 Session Laws), amended the Business Corporation Act to permit the extension of the term of corporate existence to include perpetual existence.

S. B. 121, approved February 27, 1943 (Ch. 100, 1943 Session Laws), amended Section 44-815, Idaho Code, to require holders of conditional sales contracts to cause same to be released and discharged of record upon satisfaction.

S. J. R. 4, amending Section 4, Article 7 of the Idaho Constitution to provide for an exception to the general exemption from taxation of property of the United States "when taxation thereof is authorized by the United States", passed both Houses and will go before the electorate at the next general election.

S. B. 15 and 60, amending the Unemployment Compensation Act in connection with the definition and coverage of agricultural labor, were enacted as Ch. 29 and 92, 1943 Session Laws, approved February 15 and 26, respectively.

S. B. 16, approved February 18, Ch. 68, 1943 Session Laws, amended the Unemployment Compensation Act in several particulars.

S. B. 65, approved and effective February 22, Ch. 80, 1943 Session Laws, amended Ch. 7, Title 54, Idaho Code, to provide for proof of execution or acknowledgment of deeds by members of the armed forces before designated military officers.

Failed. H. J. R. 8, a measure removing the tax exemption on municipal utility systems, expired on the Senate calendar.

D. 1945 Program

Taxation. The experience of the cooperatives with the State Board of Equalization should be carefully watched. It is difficult to reconcile the views of the northern Idaho and the southern Idaho projects with respect to taxation. The northern groups favor complete exemption and are opposed to any gross receipts tax because of their anticipation that gross revenues will increase in the post-war period. Under present conditions in Idaho complete exemption is difficult to obtain and until there is a marked change in attitude it will probably be impossible to have such a bill passed by the legislature. The southern Idaho projects, on the other hand, feel they should have some relief from taxation. The assessments have been very unequal throughout the State and in some cases the electric lines of the cooperatives are assessed almost at cost of construction. In the case of one cooperative, the tax item alone amounts to 91¢ per month per member. Considerable field work should be done during the next two years to coordinate local effort so that a united front may be presented at the 1945 session. It is possible that the Board of Equalization will correct many of the inequalities that have heretofore existed. If such is not the case however, further legislative relief should be sought.

Model Act. Preoccupation with tax legislation and inadequate coordination in the field of legislation generally again precluded presentation of the Model Act. The possibility of securing its enactment at the 1945 session should be given timely consideration.

Illinois Legislation - Final Report
Session: January 6 - June 30 (July 1), 1943

A. Affirmative Program

Amendatory S.B. 335, H.B. 514, approved July 17, 1943 and effective January 1, 1944, was a general revision of the Corporations Not for Profit Act, the statute under which our borrowers are organized. An attempt was made to obtain the inclusion of a provision allowing the cooperatives to make patronage refunds. Such refunds are now prohibited until dissolution of a nonprofit corporation. Among the changes were provisions that vacancies in the board of directors may be filled by the remaining members unless the articles or bylaws otherwise provide, and that the bylaws may provide for conduct of elections by mail.

B. Defensive Program

No measures came to our attention which would have restricted the REA program in Illinois.

C. Collateral Legislation

Enacted H.B. 111, approved May 19, 1943, amends section 72 of the 1921 Public Utilities Act, relating to reparation by public utilities on Commission orders relating to rates and charges, and empowering the Commission to receive and investigate complaints regarding loss or damage occasioned by a public utility.

S.B. 212, approved July 9, 1943, amends the provisions of the law relating to corporations for pecuniary profit in connection with amendment of articles of incorporation and merger of foreign corporations.

H.B. 181, approved May 27, 1943, amends the provisions of the law relating to corporations for pecuniary profit in connection with license fees payable by foreign corporations.

S.B. 413, approved July 2, 1943, amends the Public Utilities Revenue Act, imposing 3 percent gross receipts tax on distribution of electricity after June 30, 1943. S.B. 440, approved June 29, 1943, amends this Act in several particulars, including the definitions therein.

S.B. 446, approved July 2, 1943, amends the law relating to tax on sales of tangible personal property for use or consumption (including construction contracting). S.B. 512, approved July 1, 1943, further amends the sales tax law.

S.B. 596, approved July 9, 1943, creates the Illinois Post-War Planning Commission, directed to formulate plans, maintain liaison with federal agencies, report to the Governor and the General Assembly; appropriates $100,000.

S.B. 536, approved July 22, 1943, relates to assignment of accounts receivable.

H.B. 42, approved and effective April 10, 1943, provides for the taking of acknowledgments of members of the armed forces by commissioned officers.

S.B. 506, approved July 17, 1943, amends the Act of June 29, 1933 relating to merger and consolidation of nonprofit corporations by providing that said Act shall not apply to nonprofit corporations organized under S.B. 335.

H.J.R. 24, memorializing Congress to foster such change of priorities and restrictions as relate to batteries and other necessary materials in order to keep rural radio and telephones in an operative conditon, was adopted.

Unemployment Compensation Act. S.B. 398, approved June 30, 1943, amends the Act in connection with payment of contributions, and authorizes study of experience rating. S.B. 399, approved June 30, 1943, generally amends the Act.

Workmen's Compensation Act. S.B. 147, approved June 4, 1943, amends administrative provisions. H.B. 878, approved July 15, 1943, amends provisions relating to amount of compensation and procedural provisions.

Failed. H.B. 141, which would have subjected to the jurisdiction of the Illinois Commerce Commission all municipally owned or operated electric, gas or water systems, died in the House.

H.B. 287, providing that utilities must maintain at a designated place within three miles of the county court house a list of the names and residences of all employees and agents residing within the state, also failed.

H.B. 490, relating to professional engineers and H.B. 687, relating to regulation of explosives, failed of passage.

P. 1945 Program

An attempt should be made to amend the Corporations Not for Profit Act so as to provide for refunds on a patronage basis. The present Act authorizws "electrification on a cooperative basis"; however, it prohibits the use of a fundamental cooperative practice.

The necessity for amending the chattel mortage refiling statute exists. Previous suggestions of amendment have encountered the claim that the present law represents a settled policy of the state which cannot be relaxed in favor of a particular group such as the electric cooperative.

The Illinois State Rural Electrification Committee has furnished

effective assistance in connection with legislation affecting REA borrowers. No provision was made by the legislature for the continuation of this Committee; however, its finances may be worked out by the Governor. This Committee should be consulted sufficiently in advance of the session so as to enable it to be of maximum assistance. In the event of its discontinuance, cooperative representation at the Capitol should be provided through the Association of Illinois Electric Cooperatives or some other appropriate and effective organization.

E. Tax Legislation

The Illinois Gross Receipts Tax law applicable to REA financed cooperatives was continued at 3% by the enactment of S.B. 413. Under the previous statute the tax would have been reduced to 2% after July 1, 1943.

1943 Indiana Legislation - Final Report

Session: January 7 to March 8 (9), 1943

A. Affirmative Program

The principal need of the Indiana cooperatives continued to be complete exemption from jurisdiction of the Public Service Commission. However, it was deemed inadvisable to make an attempt to obtain legislative exemption because of the danger of introduction or restrictive amendments. The Indiana Statewide Rural Electric Cooperative Association worked closely with the legislature and its advice and assistance was solicited by the legislature on a number of bills, including H.B. 66, 221, 290, 361 and S.B. 119 (see below).

Group Life Insurance. Of these bills, H.B. 361 was the only measure which added affirmatively to the framework of law governing the operation of the Indiana electric cooperatives. It amended the insurance laws to provide that member cooperatives of the Statewide may secure the benefit of group life insurance under a policy issued directly to the Statewide. It was approved and became effective on March 11, 1943 (Ch. 311, Laws of 1943).

B. Defensive Program

The Statewide assisted in the defeat of the following measures:

H.B. 216, creating an electrical administrative board,

H.B. 433, a contractor's licensing measure, and

H.B. 189, extending the gross receipts tax to contractors and subcontractors.

C. Collateral Legislation

Enacted. The following bills of general interest to the Indiana electric cooperatives were enacted:

H.B. 290, making more specific the requirements as to the notice required to interested parties in proceedings before the Public Service Commission; approved and effective March 10, 1943 (Ch. 244, Laws of 1943).

H.B. 66, relating to the operation and regulation of frozen food lockers in Indiana, and placing same under the jurisdiction of the State Board of Health; approved March 10, 1943 (Ch. 264, Laws of 1943).

S.B. 127, providing a method of revoking rights of both profit and nonprofit corporations for failure to file annual reports; approved March 5, 1943 (Ch. 146, Laws of 1943).

S.B. 128, relating to forfeiture of articles of incorporation of both profit and nonprofit corporations; approved March 5, 1943 (Ch. 147, Laws of 1943).

S.C.R. 18, adopted March 6, 1943, memorializing Congress to lift priorities and restrictions on batteries used for rural radios and telephones.

H.B. 94, relating to acknowledgments by persons in the armed forces; approved and effective March 2, 1943 (Ch. 91, Laws of 1943).

H.B. 129, amending law relating to registration and licensing of architects; approved March 9, 1943 (Ch. 217, Laws of 1943).

H.B. 11, amending Workmen's Compensation Act in several particulars; approved and effective April 1, 1943, (Ch. 136, Laws of 1943).

S.B. 120, amending Workmen's Compensation Act concerning applicability of Act; approved March 4, 1943 (Ch. 114, Laws of 1943).

H.B. 16, amending Unemployment Compensation Act in numerous particulars; approved March 10, 1943 and effective April 1, 1943.

S.B. 119, relating to post-war planning.

Failed. A number of bills of general interest to the cooperatives were reported to have failed. Included are the following:

S.B. 48, relating to the payment of prevailing wage by municipal utilities.

H.B. 267, relating to taxation of municipal utilities.

H.B. 341, relating to pensions for municipal utility employees; vetoed by the Governor.

H.B. 233, concerning surplus funds of municipal utilities.

S.B. 193, relating to Public Service Commission personnel. Except where otherwise noted, Indiana laws became effective November 3, 1943 by proclamation of the Governor.

D. 1945 Program

The Rural Electric Membership Corporation Act should be amended so that the territorial requirements of the statute will be in harmony. In Section 55-4404 Burns Ind. Stat. Ann. (1933) subparagraph (b) requires that a description of the territory in which the cooperatives' operations are to be conducted be set out in the articles of incorporation. According to this section, such territory must not include . . . . "territory already being served with energy by any public or municipally owned utility." Section 55-4418 provides for jurisdiction of the Public Service Commission over rates, and requires a certificate of convenience and necessity. This section also makes necessary the written consent of a corporation or utility to the granting of a certificate of convenience and necessity if the construction or management of the property is to be

within territory in which another public utility is operating under a former approval or franchise by the Commission. In Section 55-4411 under the general and specific powers of the cooperatives, authority is given to "acquire, own, operate, maintain and improve a system or systems." The authority thus given to acquire property is limited by the inconsistent language of Sections 4404 and 4418. A cooperative cannot, under Section 4404, amend its articles so as to include territory already being served until such property has been acquired. And, until the property is acquired, the articles cannot properly be amended. The written consent provision in Section 4418 is, therefore, meaningless. The specific authority given in Section 4411 to "acquire and improve a system" is thus limited by language that could be construed by the Commission to the detriment of an acquisition program. While the acquisition program has not been retarded as yet by the Commission, it must be recognized that any future acquisitions in Indiana are subject to the changing attitude of the Public Service Commission. This matter should be clarified by legislation. The most satisfactory solution would be an amendment of Section 55-4118 further limiting the Commission's jurisdiction, and by an amendment of Section 55-4404 eliminating the provision in subsection (b) that the articles of incorporation must include a description of the territory to be served. In the event insuperable opposition to such amendment of Section 55-4404 is encountered, the difficulty could be solved by the insertion in this section of a provision that territory already being served with energy by a public or municipally owned utility may be included in the articles <u>if the written consent of such utility is obtained and filed with the articles</u>.

[illegible]

1943 Iowa Legislation - Final Report
Session: January 11 to April 8 (10), 1943

A. Affirmative Program

Tax Legislation. Tax legislation occupied all of the attention of our borrowers at the 1943 session. The two-year exemption provided by the 1941 legislature expired on December 31, 1942. Several conferences were held to determine the best approach to the entire tax problem and consideration was given to the introduction of a gross receipts tax measure. This plan was finally abandoned in favor of S.F. 76, an exemption bill, which provided for continuation of complete exemption from ad valorem taxes for an indefinite period. This bill was opposed by the private utilities at every step of the legislative process. The measure was first amended by the Ways and Means Committee of the Senate by limiting the life of the exemption to a two-year period. It was then referred to the Sifting Committee, where it remained until the legislature adjourned. H.F. 139, a companion measure, had exactly the same history in the House. An attempt was made by the cooperatives' opponents to substitute H.F. 360, which would have assessed rural lines of less than 13,000 volts at 30 per cent of valuation. Such a bill would have shifted much of the utilities' tax burden to the REA cooperatives. At another point, while the exemption measures were under consideration, an attempt was made to substitute a gross receipts tax. This was finally abandoned, however, when it became apparent that defeat was inevitable. The provisions of Section 7102 of the 1939 Code apparently became applicable at the expiration of the two-year exemption on December 31, 1942. The Attorney General has rendered an opinion that this section provides for the assessment of the members of the cooperatives rather than the cooperatives themselves, the value of their interests being determined by the physical assets, no consideration being given to the fact that the members' equity in the property is relatively small. Litigation is now pending to determine whether cooperatives are taxable as private utilities.

B. Defensive Program

Taxation. H.F. 360, referred to above, would have provided that rural electric cooperatives pay a tax of 30 per cent of the actual value of their line instead of 60 per cent. An attempt was made by the opposition to have this measure substituted for H.F. 139; however, it was successfully opposed by the cooperatives.

S.F. 145 and H.F. 304 provided for taxation of the cooperatives on the same basis as the private utilities. These measures were defeated in the Sifting Committees of the House and Senate.

Franchises. H.F. 435, relative to franchises, would have required a complete reorganization of the franchise system now in effect in Iowa. This measure provided the State Commerce Commission with authority to grant all franchises and would have taken away completely from the

Board of Supervisors of each county any authority in connection therewith. Included among its provisions was a requirement that a franchise be obtained for all construction on private lands. It also provided that all unused franchises be surrendered at the expiration of a two-year period. This measure died in the House Sifting Committee.

Licensing and Inspection. S.F. 94, a licensing and inspection measure providing for the regulation by cities and towns of electricians and electrical contractors, was defeated.

C. Collateral Legislation

Enacted. S.F. 279--This measure was a companion bill to L.B. 204 in the Nebraska legislature. Some of the properties of the Nebraska Power Company extend to Council Bluffs, Iowa, and the surrounding area. This measure would have provided authority for the Omaha Power Commission to operate in the State of Iowa. L.B. 204, as enacted in Nebraska, provides authority for the operation by the Commission in the area now served by Nebraska Power Company. S.F. 279 died in the Senate. The course which the Omaha Power Commission follows in Iowa should be carefully watched. The relationship between the Iowa authorities and the Omaha Power Commission should be of interest to the cooperatives.

H.F. 235 amended Chapter 134.1, Code 1939, relating to cold storage locker plants, in minor respects; approved March 24, 1943 and effective upon publication.

S.F. 306, approved April 6, 1943, amended the law relating to qualification of foreign corporations.

H.F. 76, approved April 6, 1943, amended the nonprofit corporation law.

H.F. 285, approved April 8, 1943, amended the law relating to the release and satisfaction of mortgages and conditional sales contracts.

S.F. 56, approved February 11, 1943, amended the mechanics' lien law.

S.F. 30, approved March 23, 1943 and effective upon publication, provided for acknowledgments of persons in the armed services.

S.J. Res. 6, approved April 16, 1943, created a Post-War Rehabilitation Commission.

Unemployment Compensation Act. H.F. 16, approved January 29, 1943 and effective upon publication, amended Section 1551.12(I), Iowa Code 1939, relating to court review of decisions of the Unemployment Compensation Commission. H.F. 449, approved March 24, 1943 and effective upon publication, amended the provisions of the Unemployment Compensation Act relating to employers' contribution rates and appeals.

H.F. 21, approved February 4, 1943 and effective upon publication, amended the Unemployment Compensation Act provisions relating to computation of contributions. H.F. 5, approved February 4, 1943 and effective upon publication, provided for reciprocal agreements with agencies of other states and the federal government, for the payment of benefits. H. F. 8, approved January 29, 1943 and effective upon publication, amended the Unemployment Compensation Act relating to termination of employers' coverage. S.F. 379, approved March 15, 1943; S.F. 338, approved April 1, 1943; S.F. 47, approved April 5, 1943; and H.F. 223, approved March 24, 1943; all amended the Unemployment Compensation Act in various particulars.

D. 1945 Program

The Iowa tax situation should at least be clarified by legislative action even though exemption may be impossible to obtain. The cooperative should be encouraged to meet often to plan and discuss their own problems and make a continuing effort to develop legislative support. The REA program in Iowa is extensive, there being 53 cooperatives and approximately 53,000 connected members. If the Iowa projects are properly organized and carefully guided they should be able to secure enactment of a proper tax bill.

1943 Kansas Legislation - Final Report
Session: January 12 to March 23, 1943

A. Affirmative Program

Because of the lack of interest and organization no affirmative measures were sponsored by our borrowers.

B. Defensive Program

No inimical bills came to our attention.

C. Collateral Legislation

The following were measures in which REA borrowers were collaterally interested:

Enacted S.B. 16 authorized cities of the first class to acquire the capital stock of utility corporations engaged principally in distributing water; approved March 20, 1943 and effective June 28, 1943 (Ch. 114, Laws of 1943).

S.B. 118, approved March 20, 1943, effective March 24, 1943 (Ch. 233, Laws of 1943), provided for acknowledgments of persons in the armed forces.

H.B. 227, approved March 23, 1943, effective March 26, 1943, (Ch. 190, Laws of 1943) generally amended the Unemployment Compensation Act.

H. B. 128, approved March 20, 1943, effective March 24, 1943 (Ch. 189, Laws of 1943), amended the Workmen's Compensation Act relating to collection of unpaid awards.

S.B. 105, approved February 22, 1943, effective June 28, 1943 (Ch. 335, Laws of 1943), ratified the Republican River Compact.

Failed. S.B. 4, reducing the sales tax from 2 percent to 1 percent.

S.B. 5, reducing the Kansas compensating tax from 2 percent to 1 percent.

H.B. 17, making a chattel mortgage or conditional sales contract superior to any statutory lien for material or labor.

H.B. 74, S.B. 45, setting up a formula for the valuation of public utilities for rate-making purposes.

H.B. 97, prescribing presumptions and changing the rules relative to burden of proof in certain rate proceedings before the State Corporation Commission.

H.B. 187, S.B. 155, relating to municipal utilities.

D. 1945 Program

An attempt should be made at the 1945 session to develop interest in legislation amending the 1941 Act. This Act is unworkable in several respects; it also provides for jurisdiction by the Corporation Commission. Because of the curtailment of construction in Kansas, it was difficult to stimulate enthusiasim in a legislative program. The active support of the cooperatives in amending the 1941 Act must be enlisted. Careful planning for statewide cooperative effort in 1945 may produce the needed legislation.

1943 Maine Legislation - Final Report

Session: January 6 to April 9, 1943.

A. Affirmative Program

Amendatory Legislation. The possibility of securing amendment of the 1941 Cooperative Enabling Act to eliminate the provision for partial commission jurisdiction was explored. The prospects of favorable legislative action were discussed with project counsel, the Speaker of the House (sponsor of the 1941 bill) and with friendly legislators. No legislation on this subject was introduced because of the difficulty of securing favorable legislative action in the absence of an active construction program. It was decided to postpone introduction of amendatory legislation until 1945.

Tax Relief. H.P. 1207 relating to the taxation of rural electric cooperatives was considered by a joint committee of both Houses and reported adversely. It proposed to include the cooperatives in an existing provision for state taxation of telephone and telegraph companies. The measure would have substituted a sliding scale gross receipt tax for the ad valorem property tax. Urgent need for tax relief still exists.

B. Defensive Program

H.P. 1184 providing for the inspection of gas and electric meters was considered and failed in both Houses.

C. Collateral Legislation

Enacted. H.P. 1300, Chapter 259, Public Laws 1943, amended Chapter 12 of the Revised Statutes relating to the taxation of telephone or telegraph companies. (H.P. 267, a bill relating to the same subject matter, failed). H.P. 1126, Chapter 253, Public Laws 1943, enacted a new Consumers' Cooperative Act.

H.P. 794, Chapter 97, Public Laws 1943, approved March 15, 1943, amended the laws relative to qualification of foreign corporations prior to transacting business within the State. H.P. 1131, Chapter 54, Public Laws 1943, amended the Unemployment Compensation Law in various particulars.

Failed. The following bills relating to public utility and power matters failed of enactment:

H.P. 260-relative to the incorporation of the Kingman Water Power Company;

H.P. 465-enlarging the powers of the Bangor Hydro-electric Company;

H.P. 760-relating to the Caribou Utilities District.

D. 1945 Program

Amendment of the 1941 Cooperative Enabling Act to provide for complete exemption from Commission regulation is imperative. If the Maine electric cooperatives' tax experience continues along present lines, legislative tax relief should be sought.

1943 Maryland Legislation - Final Report
Session: January 6 to April 3 (4), 1943

A. Affirmative Program

Shortly before the convening of the 1943 legislative session the property tax problems which had been bothering our Maryland borrowers were solved administratively. No general legislation is reported to have been sponsored by the REA-financed cooperatives.

B. Defensive Program

Electrical Licensing. H.B. 693 which would have created an Electric Administrative Board was opposed by our borrowers. It failed to pass.

C. Collateral Legislation

Enacted. H.B. 73, Chapter 313, Laws 1943, approved May 7, 1943, amended the law relative to the annual franchise tax of domestic corporations without capital stock or capital. Since the 1941 Maryland Electric Cooperative Act provides for an annual license fee of $10.00 in lieu of all other excise and income taxes, this measure is probably inapplicable to our borrowers.

H.B. 137, Chapter 488, Laws 1943, approved May 4, 1943, amended the general law relating to assessment and taxation of railroads and other public utilities.

H.B. 543, Chapter 551, Laws 1943, approved May 4, 1943, authorized the County Commissioner of Anne Arundel County to adopt comprehensiv zoning regulations.

H.B. 498, Chapter 981, Laws 1943, approved May 4, 1943, created a Commission on Post-War Reconstruction and Development to formulate a post-war program of public works projects, make surveys and studies, and coordinate with federal post-war planning agencies.

S.B. 68, Chapter 435, Laws 1943, approved April 30, 1943, amended the Unemployment Compensation Law by providing experience rating under certain conditions in the contribution rate of eligible employers.

Failed. H.B. 119 relating to local assessment of the operating property of public utilities, and H.B. 120 relating to the taxation and assessment of public utility property failed of enactment. H.B. 598 the Uniform Acknowledgment Act, also failed to pass. H.B. 662 related to the filing of releases of liens or mortgages of personal property.

D. 1945 Program

No legislative needs are now known.

1943 Massachusetts Legislation - Final Report
Session: January 6 to June 13, 1943

A. Affirmative Program

No REA-financed projects have been organized under Massachusetts law as yet. A small group of farmers in that State are now being served by the Halifax Electric Cooperative of Brattleboro, Vermont. When the Vermont lines were first extended into Massachusetts early in 1942, some difficulty with the State Department of Public Utilities was encountered. However, the problems were settled without requiring legislative action. Since no new developments were planned, and because of the poor prospects of success, no enabling legislatic or other bills were sponsored on behalf of rural electrification.

B. Defensive Program

No bills appeared which would have adversely affected the REA-financ ed lines.

C. Collateral Legislation

Enacted. H.B. 1652, Chapter 308, Laws 1943, amends Section 1 of Chap ter 141, General Laws, relating to licensing of electricians by broadening the definition of persons required to secure license.

S.B. 182, approved March 3, 1943, amends the law relating to the purchase and sale of electric properties.

H.B. 1800, Chapter 459, Laws 1943, amends the general law ralating t registration and taxation of foreign corporations.

S.B. 464, Chapter 410, Laws 1943, amends Chapter 255, Section 12 of the General Laws relative to the form of conditional sale contracts.

H.B. 1823, Chapter Res. No. 71, Laws 1943, establishes a Post-War Rehabilitation Commission to study post-war economic problems, including studies of economic resources, agriculture, industry, etc., with a view to providing employment; to report to the legislature nc later than November 1944.

D. 1945 Program

No legislative program is now contemplated. However, the Massachusetts situation should be restudied prior to convening of the 1945 session of the General Court in the light of possibility of intrastate electric cooperative development and of the needs of the farmers being served by the Vermont cooperative.

1943 Michigan Legislation - Final Report
Session: January 6 to April 30, 1943

A. Affirmative Program

Our Michigan borrowers are organized under Section 10135-117, C.L. Mich. Mason's, 1942 Supp.

Amendatory. H.B. 220, approved April 14, 1943 (Public Act No. 211, Acts 1943) further amended Section 117 by the insertion of a clause providing that nonprofit cooperative corporations having more than three incorporators may by resolution designate any three among themselves to sign and acknowledge the articles for themselves and for the ramainder of such incorporators. No further change was made Some question had existed as to the sufficiency of the section referred to for the incorporation of REA enterprises. However, the remaining sections of chapter 10135 apparently provide an adequate statutory basis for the incorporation of REA nonprofit corporations.

B. Defensive Program

Zoning. H.B. 169, approved and effective April 17, 1943 (Public Act No. 183, Acts 1943), provided for the establishment of zoning districts in portions of counties outside the limits of incorporated cities. The effectiveness of the Act in any county is conditioned upon affirmative action by the County Board of Supervisors. Zoning ordinances and maps must be submitted to the Michigan Planning Commission for approval. Upon petition of the registered voters in the area affected, the zoning plan must be submitted to the electorate for approval.

H.B. 168, approved and effective March 31, 1943 (Public Act No. 62, Acts 1943), provided for the regulation by county supervisors of minimum construction requirements in unincorporated portions of counties.

H.B. 231, approved April 20, 1943 (Public Act No. 222, Acts 1943), provided for the certification of plats of areas embraced in a maste plan to the legislative bodies of cities and villages.

H.B. 260, approved April 17, 1943 (Public Act No. 184, Acts 1943), "The Township Rural Zoning Act," granted zoning power to the townsh boards for the establishment of zoning districts in the unincorporat ed portions of such townships.

C. Collateral

Enacted. S.B. 62, approved and effective March 30, 1943 (Public Act No. 52, Acts 1943), provided that in cases of road abandonment or discontinuance the Board of County Road Commissioners may reserve an easement for public utility purposes within the right of way of any road abandoned and discontinued.

H.B. 20, amended the law providing for the revival of nonprofit corporations whose charters have become void for failure to file reports by extending to 1944 the time limit for paying delinquent fees and bringing reports up to date.

H.B. 211, approved March 31, 1943 (Public Act No. 66, Acts 1943), amended the corporation law to permit nonprofit corporations to hold stock or certificates of membership in other nonprofit corporations whose purpose relates to the construction, etc., of buildings to house fraternal organizations.

S.B. 212, approved and effective April 17, 1943 (Public Act No. 160, Acts 1943), generally amended the corporation law.

S.B. 77, approved March 24, 1943 (Public Act No. 35, Acts 1943), amended the 1919 Act creating the public utilities commission by authorizing the commission to promulgate and enforce railroad safety rules.

H.B. 159, approved and effective March 24, 1943 (Public Act No. 29, Acts 1943), amended the business privilege tax act (which includes sale of electricity).

H.B. 46, approved and effective February 17, 1943 (Public Act No. 7, Acts 1943) amended the Uniform Acknowledgment Act to provide for acknowledgment by persons in the armed forces.

S.B. 273, approved April 13, 1943 (Public Act No. 100, Acts 1943), amended the 1937 Act establishing a State Planning Commission in directing the planning of post-war programs.

H.B. 335, approved and effective April 20, 1943 (Public Act No. 219, Acts 1943), amended the Revenue Bond Act of 1933 in several particulars.

H.B. 188, approved April 13, 1943 (Public Act No. 120, Acts 1943), amended the Sabotage Prevention Act of 1941.

H.B. 173, approved and effective April 13, 1943 (Public Act No. 117, Acts 1943), amended in minor respects the frozen food locker control statute.

H.B. 263, approved April 22, 1943, effective June 1, 1943 (Public Act No. 246, Acts 1943), generally amended the Unemployment Compensation Act.

S.B. 182, approved April 22, 1943 (Public Act No. 245, Acts 1943), generally amended the Workmen's Compensation Act.

Failed. S.B. 61, prohibiting any public utility from rendering a bill for services until such services have been performed.

H.B. 140, providing authority for the Public Service Commission to direct appropriate steps to prevent any public utility under its jurisdiction from passing on its excess profit taxes to residential and farm customers. This bill died in the House.

H.B. 254 would have prevented telephone companies from furnishing service to any hotel charging its patrons or users service charges in addition to those levied by the telephone company.

D. 1945 Program

The operation of the zoning laws should be carefully followed. If compliance with the zoning restrictions established becomes unduly burdensome to the cooperatives, it may be advisable to seek legislative relief. There is, of course, the question of public relatio to be considered. Unless some real difficulty is presented by the various zoning boards and commissions, it might be best to refrain from opening this subject with the legislature.

No real difficulty seems to exist with the Nonprofit Corporation Ac Unless the prospects for obtaining favorable action on the Model Ac are greatly improved, this measure should not be presented.

1943 Minnesota Legislation - Final Report
Session: January 5 to April 21 (23), 1943

A. Affirmative Program

Tax Legislation. The affirmative legislative program was limited to consideration of measures designed to clarify the taxation status of our Minnesota borrowers. The Minnesota cooperatives have had difficulty with the ambiguity of the language in Section 2394-5 Mason's Supp. 1940 Sub. (e) which provides for exemption from state income taxes and in Section 2012-4 providing for a tax of $10 for each 100 members or fraction thereof in lieu of all personal property taxes upon distribution lines located in rural areas. With the development of the acquisition program in Minnesota, the exemption of property located within the corporate limits of a town or village has been questioned. The State Tax Commissioner requested the legislature to clarify the tax status of lines acquired by a rural electric cooperative within the corporate limits of a town. As a result of this request H.F. 1142 and its companion measure, S.F. 1024, were presented for consideration. As originally introduced, the measure altered the language of the present statute by inserting "principally in areas outside the corporate limits" in the section defining cooperative properties exempted from taxation. The private utilities took advantage of the pendency of the REA cooperative bill to attempt the addition of burdensome provisions in the tax statutes. Among the provisions which the utility lobby proposed were:

1. An amendment freezing tax exemption in villages as of April 15, 1943. Such a provision would have seriously burdened our acquisition program.

2. A provision that after six years of furnishing electricity to any of its members the cooperative should be assessed on its rural properties in the same manner as the private power lines in rural areas.

3. An amendment which would assess at 5 per cent of full value the electric distribution lines outside of the corporate limits of a city except where the cooperatives serve villages having no central station service prior to the formation of the REA cooperative.

As finally enacted the measure contained the following language:

(a) relating to income taxes:

"Co-operative or mutual rural telephone association; and co-operative associations organized under the provisions of Laws 1923, Chapter 326, as amended, which are engaged in the transmission and distribution of electrical heat, light or power upon a mutual, and cooperative plan in areas outside the corporate limits of any city or village; but if any such co-operative association engages in supplying electrical heat, light or power to consumers within the corporate limits of any city, village or borough, then such association shall be subject to this tax computed on that portion of its net income which its gross receipts from consumers within such corporate limits bears to its total gross receipts."

(b) relating to property taxes:

"Co-operative associations organized under the provisions of Laws 1923, Chapter 326, and laws amendatory thereof and supplemental thereto and engaged in electrical heat, light or power business upon a mutual, nonprofit and co-operative plan in rural areas as hereinafter defined, are hereby recognized as quasi-public in their nature and purposes.
Provided, however, that such co-operative associations, which operate within the corporate limits of any village, city or borough shall be assessed on a basis of 40% of the full and true value of that portion of its property located within the corporate limits of any village, city or borough as provided for in Mason's Supplement 1940, Section 1993 as amended."

The result was the best possible compromise of a legislative situation that could have gone against the cooperatives. The Statewide did most of the work in connection with the program. But for the assistance of some project attorneys in the legislature the bill in its final form would have seriously increased our tax difficulties in Minnesota. In order to get this bill through both Houses, careful planning was necessary.

Easements over State Lands. S. F. 537, approved April 20, 1943, further provided for the granting of easements over state-owned lands. This measure prescribed (1) a fee of $4 per mile for the territory covered by such electric lines and (2) the easement granted shall contain a provision relative to the payment of damages for injury to timber.

B. Defensive Program

H. F. 929, providing a set of standards for overhead construction, was defeated in the House.

C. Collateral Legislation

Enacted

H. F. 481, approved April 2, 1943, and H. F. 651, approved March 30, 1943, further regulated frozen food lockers.

H. F. 446, approved April 1, 1943, reduced the amount of a master electrician's bond from $5,000 to $1,000.

Failed

H. F. 311, relating to encroachment on public ways by buildings or other structures, was defeated in Committee.

D. 1945 Program

The experience of our borrowers under the new tax legislation should be carefully followed. The Minnesota cooperatives are opposed by a powerful lobby and constant vigilance is necessary.

Missouri Legislation - Final Report
Session: January 6 - August 23, 1943

A. Affirmative Program

Amandatory Legislation. Two of the three Missouri cooperatives organized under the 1939 Electric Cooperative Act sponsored legislation designed to eliminate the restrictions in that statute limiting the life of cooperatives to 25 years and setting a 15 per cent quorum requirement for members' meetings. These borrowers (Missouri 44 and Missouri 56) caused the following measures to be introduced: H.B. 72 providing for perpetual existence of the cooperatives; H.B. 73 reducing the quorum requirement from 15 per cent of the total membership to 5 per cent

H.B. 72, after being amended in the Senate by the substitution of a clause providing for 50 years' existence instead of perpetual existence as provided in the original measure, was approved on May 7, 1943. H.B. 73 was passed by the House but defeated in the Senate Committee on Private Corporations. The private utility lobby allowed this measure to pass the House but made a concerted attempt to defeat both bills in the Senate Committee. It was only through the persistent effort of these two borrowers, coupled with very effective publicity given by the St. Louis papers, that H.B. 72 was finally given a favorable report.

B. Defensive Program

No measures came to our attention which would have restricted the Missouri REA cooperatives.

C. Collateral Legislation

Enacted

S.B. 57, 58 and 59, all enacted, related to assessment and payment of corporate franchise taxes.

S.B. 135, approved July 22, 1943, revised Section 14340, Art. 23, Ch. 102, R.S. Mo., relating to provisions of bylaws of Nonprofit Cooperative Associations, particularly with respect to members' withdrawal of interest in such associations.

S.B. 86, approved July 1, 1943, related to written assignments of accounts receivable.

H.B. 309, approved August 5, 1943, enacted the Uniform Stock Transfer Act.

H.B. 502, approved July 30, 1943, created a Department (and Commission) of Resources and Development.

H.B. 64, approved August 6, 1943, enacted a complete, new General and Business Corporation Act.

H.B. 120, approved April 16, 1943, provided for the extension of corporate existence of agricultural or mercantile cooperatives by vote of stockholders.

S.B. 81, approved July 1, 1943, increased contribution rates under the Unemployment Compensation Act.

H.B. 226, enacted July 7, 1943, H.B. 386, enacted August 4, 1943, and H.B. 498, enacted July 30, 1943, amended the Workmen's Compensation Act in various particulars.

S.J.C.R. No. 2, adopted March 4, 1943 and approved by the electorate at a special election held April 6, 1943, adopted an amendment to Section 36, Article IV of the Constitution, providing that laws, other than emergency measures, shall take effect 90 days after enactment and approval.

Failed

H.B. 305 would have provided a method of assessing property of corporations subject to the regulation of the Public Service Commission.

H.B. 244 would have amended the procedure in hearings before the Public Service Commission.

H.B. 204 would have prohibited corporations engaged in vending gas or electricity from contributing to the organization and operation of investment, building, loan or savings associations.

H.B. 268 would have repealed the law creating a State Tax Commission and H.B. 267 would have provided in lieu thereof for a Commissioner of Revenue.

D. 1945 Program

The experience of our Missouri borrowers organized under the 1939 Act should be carefully followed. If the administration of Section 3 (a), providing for partial commission jurisdiction, proves unduly burdensome it might be advisable to seek further amendment of the Act by the elimination of this section. Careful attention should be given to the coordination of the cooperatives' efforts.

1943 Montana Legislation - Final Report
Session: January 4 to March 4 (7), 1943

A. Affirmative Program

No affirmative program was sponsored by our Montana borrowers.

B. Defensive Program

Taxation. Under the present statute cooperative personal property is assessed at 7 per cent of its full value. There was some discussion in Montana relative to reclassifying the cooperative's property to subject it to a 40 per cent assessment. This move started with the assessors in Montana and consideration was given by the assessors to the sponsorship of legislation effecting this reclassification. Through the efforts of our borrowers the introduction of thi legislation was discouraged.

C. Collateral Legislation

Enacted. The following measures of general interest to the electri cooperatives were enacted:

S.B. 37 (Ch. 35, Laws 1943) and S.B. 41 (Ch. 36, Laws 1943), approv ed and effective February 12, 1943, make provision for acknowledgments of persons in the armed forces.

H.B. 89 (Ch. 148, Laws 1943), approved March 2, 1943, amends the la relating to certificates of registration and ownership of motor vehicles.

S.B. 49 (Ch. 70, Laws 1943), approved February 24, 1943, amends the law relating to filing of conditional sales contracts.

S.B. 81 (Ch. 115, Laws 1943), approved February 27, 1943, enacts th Uniform Stock Transfer Act.

H.B. 203 (Ch. 233, Laws 1943), approved and effective March 16, 194 generally amends the Unemployment Compensation Act.

S.B. 47 (Ch. 230, Laws 1943), approved March 16, 1943; S.B. 178 (Ch 229, Laws 1943), approved March 13, 1943; and H.B. 136 (Ch. 128, Laws 1943), approved February 27, 1943, amend the Workmen's Compensation Act.

D. 1945 Program

The language in Section 2 of the 1939 Electric Cooperative Act restricting "areas" to those "in which electrical current and servic is not otherwise available from existing facilities and plants" has apparently had no restrictive effect on our program in Montana.

Our borrowers have previously been divided on the question of supporting or opposing an inspection and licensing law. This division was sharply demonstrated in the 1941 session. Since no licensing and inspection legislation was introduced in 1943, the issue was not presented. The differencesof view on this subject and on others should be resolved. In order to assure effectiveness on the legislative front, statewide conferences should be stimulated and the decisions made by the majority adhered to.

All tax legislation must be carefully studied as an attempt may be made to reclassify the cooperative properties.

Edward T. Dussault, of Missoula, project attorney for Montana 1 Ravalli, and Oscar Nesvig, Esq., of Chinook, kept us advised of developments at the 1943 session.

1943 Nebraska Legislation - Final Report
Session: January 5 to May 28, 1943

A. Affirmative Program

No affirmative legislative program was sponsored by the rural districts at the 1943 session.

B. Defensive Program

A number of measures were considered which may adversely affect our Nebraska borrowers. Among those enacted were:

L.B. 72, relating to the sale of properties by rural districts. L.B. 72 amended section 70-604, C.S. Supp., 1941 by providing that a 60 per cent vote of the electors is required to authorize a sale of electric facilities by a city or village to a public power district and also for a sale of electric facilities by any public power district operating and owning lines in less than 13 counties. An exception is provided which is not material to the rural districts. The proposal to sell may be approved at a general or special election on three weeks' notice in a legal newspaper of general circulation in the city, village or district. The language of this section was formerly limited to requiring a 60 per cent vote in the case of a sale by a city, village or district to any private person, firm, association or corporation. This measure was approved on May 27, 1943 and became effective on August 27, 1943.

L.B. 286, approved and effective May 17, 1943, is a general revision of public power district law (S.F. 310), the more important changes being:

Audits: An audit of the books must be made by a certified public accountant who shall be selected by the district, subject to the approval by the Auditor of Public Accounts. The audit must be approved by the Auditor and must be filed within 120 days after December 31 of each year. The expense of the audit is borne by the district and payable to the Auditor. This public audit must show the following:

(1) The gross income from all sources for the year previous;

(2) The gross amount of electrical energy supplied by the district;

(3) The amount expended during the previous year for maintenance;

(4) The amount expended during previous year for plant investments;

(5) The amount of depreciation of the plant during the previous year;

(6) The cost of supplying electrical energy, including production cost, transmission cost and distribution cost;

(7) The number of employees as of December 31 of each year;

(8) The salaries paid employees; and

(9) All other facts necessary to give an accurate and comprehensive view of the cost of maintaining and operating the plant.

The Auditors shall have access to all books in the office of the district, in the office of the general manager or in possession of or under the control of any officers, agents or servants.

Election of Directors - Section 70-704 is made more definite. Certification of names is to be made 60 days in advance of the election. A candidate for director must receive 5 per cent of the number of votes cast for governor at the same election.

Directorates - Section 70-705 is amended to prohibit interlocking directorates of public power districts.

Personnel - A general manager may be employed and he shall be the "chief executive officer" of the district.

Wholesale Energy - Section 70-706 is amended to provide that any district organized under S.F. 310 engaged in the generation and transmission of energy is required to sell electrical energy at wholesale directly to any municipality or political subdivision which is engaged in the distribution and sale of energy provided proper application is made and provided the district has the requested amount of current available. The purchaser must agree to make or pay for the necessary physical connection with the district's lines.

Consolidations - No district operating or owning lines in 13 or more counties shall combine, merge or consolidate all or a major portion of its property with the property of any other such district.

Contracts - Section 70-710 is amended by relaxing the requirements relative to letting contracts to the extent made necessary by disrupted economic conditions. A further provision makes void a contract when a director is interested.

Financial - Section 70-711 is amended to make more stringent the law governing the handling of district funds. More definite authorization is required for the disbursement of money.

Damages - Section 70-712 is amended to provide that in condemnation proceedings by cities or villages the determination of the amount of severance damages shall take into consideration the economic effect upon the system as a going concern as it remains after the severance. In entering its award the court must show how much of the total was allowed for the physical property and how much assigned for other values.

Taxes. When a district acquires property through condemnation proceedings it shall pay a sum in lieu of taxes so long as it shall continue to be the owner of such property.

Dissolution - Section 70-716 is amended to provide for a petition for dissolution by 25 or more electors residing in the district.

L.B. 71, approved May 29, 1943, provided that no city of the second class or village shall have power to grant a franchise for a period exceeding 25 years to any person or corporation, whether publicly or privately owned, for the furnishing of electric light and power to the residents, and that no public service company, whether publicly or privately owned, shall sell electricity to any city of the second class or village, now generating its own electric current for all or the major portion of its electrical requirements, unless first authorized by a vote of the electors of such city or village.

C. Collateral Legislation

Enacted.

L.R. 34, adopted May 18, 1943, provides for the establishment of a committee of five members of the unicameral to investigate the business and affairs of power districts, including the purchase of plants and financing thereof, the issuance of bonds, attorneys' fees, political activities, business and affairs of the Nebraska Public Power System, and "all other matters necessary to afford the Legislature a clear perspective and view of the entire electrical power situation in this state as the basis for enactment of necessary legislation." The committee is to make recommendations to the 1945 session of the legislature.

L.B. 248, approved June 1, 1943, provided for district elections of the directors of public power districts, public irrigation districts, and public power and irrigation districts. The number of directors is adjusted to 7.

L.B. 204, approved and effective May 26, 1943, enacted the "Peoples Power Commission Law", authorizing the establishment of a Peoples Power Commission in cities of the metropolitan class. The bill was intended to establish a Commission in Omaha with power to take over existing facilities in the territory now served by the Nebraska Power Company. The board of directors would consist of from 6 to 8 members appointed by the Mayor and the Governor. The Commission would be authorized to acquire by purchase, acquisition of stock or condemnation the electric facilities within the metropolitan area. Under L.B. 204 the rural districts are empowered to acquire by purchase or condemnation the Commission's rural lines located within the area of the rural districts except in cases where such lines are used for the transmission of current to a city or district beyond the lines operated by the Peoples Power Commission. The Commission would finance its operations through the issuance of revenue bonds. "Metropolitan area" within which the Peoples Power Commission is authorized to function refers to the county in which the metropolitan city is located, and counties immediately contiguous thereto. L.B. 204 repealed sections 14-1029 and 14-1030 in so far as these sections relate to the operation of utilities by metropolitan utilities districts.

L.B. 386, approved May 17, 1943, amended sections 86-301 and 86-303, Comp. Stats. 1929, relative to the placing of poles on highways, empowered the Department of Roads and Irrigation to issue regulations implementing the Act.

L.B. 261, approved May 27, 1943, empowered metropolitan utilities districts to provide employee benefits, insurance and annuities.

L.B. 400, approved April 26, 1943, enacted a "General Non-Profit Corporation Law".

L.B. 251, approved May 6, 1943, provided for regulation of cold storage locker plants by the Department of Agriculture and Inspection.

L.B. 167, approved May 17, 1943, established a State Zoning Agency, its functions to be administered by the Department of Roads and Irrigation.

L.B. 219, approved and effective May 10, 1943, created a boiler inspection department in the Department of Labor.

L.B. 178, approved and effective March 12, 1943, amended the law relative to registration of agents of foreign corporations and service upon such corporations.

L.B. 86, approved and effective February 24, 1943, ratified the Republican River Compact.

L.B. 37, approved and effective February 13, 1943, made provision for acknowledgments by servicemen.

L.B. 304, approved and effective March 31, 1943, repealed Article 7, Chapter 76, Comp. Stats. 1929, relating to the Torrens Title System.

L.B. 230, approved and effective May 28, 1943, amended the Workmen's Compensation Act.

L.B. 197, approved and effective May 14, 1943, amended the Placement and Unemployment Insurance Law.

Failed

L.B. 408, providing for audits of municipal utilities.

L.B. 405, relating to directors of power districts.

L.B. 397, relating to Public Power Districts.

D. 1945 Program

The effect of the 1943 enactments upon our borrowers should be closely followed. Developments at this session indicate further attempts to secure enactment of restrictive legislation in this pioneer public power state.

1943 Nevada Legislation - Final Report
Session: January 18 to March 18 (19), 1943

A. Affirmative Program

Our Nevada borrowers are organized under the Power District Law. No. affirmative legislative program was conducted on their behalf.

B. Defensive Program

Electrical Licensing and Inspection. A.B. 140, establishing an Electric Advisory Department as a branch of the Nevada Public Service Commission, charged with the supervision and regulation of electrical installations and the licensing of electricians, is reported to have failed in the Assembly.

C. Collateral Legislation

Enacted. A.B. 47, approved March 5, 1943 (Ch. 40, Laws 1943), authorized the Nevada School of Industry to convey a right of way for a power line t Elko-Lamoille Power Company.

A.B. 176, approved March 24, 1943 (Ch. 148, Laws 1943), amended the power of the Colorado River Commission of Nevada.

A.B. 162, approved and effective March 24, 1943, provided for acknowledgments of members of armed forces.

S.B. 75, approved and effective March 20, 1943, amended the law imposing requirement of surety bonds of officials of irrigation districts.

S.B. 30, approved and effective March 24, 1943, amended the Unemployment Compensation Act.

S.B. 86, approved and effective March 22, 1943, amended the Workmen's Compensation Act.

D. 1945 Program

Reintroduction of an electrical licensing and inspection measure may be expected in view of the unsuccessful attempts to secure passage of such bill during the 1941 and 1943 sessions.

The inauguration of any large scale development program in Nevada may require consideration of the various cooperative enabling acts for use in organizing new rural electric enterprises. In the event of such development, amendment of these laws may be required.

1943 New Hampshire Legislation - Final Report
Session: January 6 to May 20, 1943

A. Affirmative Program

Our New Hampshire borrower has reported no difficulty in operating unde the 1939 amendment of the general cooperative law. However, property tax problems have arisen. The subject was carefully reviewed at the beginning of the 1943 session to determine whether an administrative solution was possible or whether legislative relief should be sought. The final decision was not to seek legislative tax relief at this session. No other legislation was sought.

B. Defensive Program

Hydro-electric Development. H.B. 152 relating to the powers and authorit of the New Hampshire Water Resources Board proposed to include electric generation among the projects which might be undertaken by this Board. The bill made provision also with respect to contracts for the sale of electricity, the operation of water projects, the extent of state guarantee on bonds issued by the Board and the management of the Board. This bill was admittedly designed to forestall the development by the Cooperative Service Association, closely identified with the New Hampshire Electric Cooperative, of the Franklin Falls Dam, and to take advantage of the priority granted states and municipalities by the Federal Power Act in granting licenses for hydro-electric development. Extended hearings were held on the bills before the House Judiciary Committee, which reported unfavorably; it was not enacted.

C. Collateral Legislation

Enacted. H.B. 123, approved and effective April 20, 1943 (Chapter 126, Laws 1943), amends Section 2 of Chapter 113 of the Revised Laws relating to the securing of permits for the erection or installation of pole structures, conduits, cables or wire in or across any highway.

H.B. 293, approved and effective on March 30, 1943, enacts the Uniform Acknowledgment Law. A companion bill, S.B. 48, was unfavorably reported by the Senate Judiciary Committee.

H.B. 122, approved February 23, 1943, amends Section 28 of Chapter 289 of the Revised Laws, empowering the Public Service Commission by general order to authorize a public utility to transfer to another public utility a part interest in poles and appurtenances for the purpose of joint use.

S.B. 57, approved and effective April 9, 1943 (Ch. 113, Laws 1943), amends the Workmen's Compensation Law with respect to amount of compensation.

H.B. 51, approved and effective February 23, 1943, amends the Workmen's Compensation Law relative to compensation for permanent partial disability.

Failed. S.B. 41, relating to appeals on Public Service Commission matters, was unfavorably reported by the Committee on Revision of Laws.

D. 1945 Program

Property taxes appear to be the sole problem confronting the New Hampshire borrower which may require an affirmative legislative program. This question should be carefully studied and such steps taken as may be feasible to secure administrative relief prior to the 1945 session so that adequate preparation for a legislative campaign may be made if a legislative program appears to be necessary.

On the defensive side, water resources bills should be carefully examined in order that rural interests in hydro-electric power may be safeguarded.

1943 New Jersey Legislation - Interim Report
Session: January 12 (recessed to January 11, 1944)

A. Affirmative Program

There is definite need for enactment of the Model Electric Cooperative Bill in New Jersey where our two borrowers are treated as public utilities and are subject to complete Commission regulation. However, prospects of a successful legislative campaign were and continue to be very poor. In view of the fact that no new electric cooperative development is contemplated, no affirmative program was undertaken.

B. Defensive Program

Electrical Licensing. H.B. 132 creating an Electrical Examining Board to license electrical contractors was still pending at the time of recess.

C. Collateral Legislation

Enacted. H.B. 259, Chapter 192, Laws 1943, created a State Commission on Post-War Economic Welfare to devise plans, to study the feasibility of construction of useful public works, etc. The Commission is to report to the legislature. This measure was passed over the Governor's veto and became effective on April 13, 1943.

S.B. 133, Chapter 209, Laws 1943, permits municipalities to grant easements to the United States Government to lay conduits and string wire on public streets and on public porperties.

Pending. H.B. 239 would create a presumption that standing electric light poles were erected with the owner's consent.

H.B. 130 provides for a method of extension of chattel mortgages.

H.B. 151 requires licensed architects to use a seal upon their plans.

H.B. 24 would create an Economic Welfare Commission for Post-War Planning.

D. Future Program

The 1943 session of the legislature will reconvene on January 11, 1944 subject to earlier recall. No legislation will be sponsored.

New Mexico Legislation - Final Report
Session: January 12 - April 12, 1943

A. Affirmative Program

Easements. The New Mexico electric cooperatives sponsored S.B. 107 limiting the time for the institution of actions of trespass involving rights of way. This measure failed of passage in the House because of a misunderstanding on the part of some members. By the time this misunderstanding came to the attention of the cooperatives, it was too late to revive the measure.

Licensing and Inspection. S.B. 27 would have repealed the act creating the Electrical Administrative Board of New Mexico. This law prohibits any person other than a licensed electrician from doing any wiring whatsoever.

Contractors' Licensing. An attempt was made to repeal the Contractor's Licensing Act but this measure, H.B. 22, failed of enactment. Its companion, S.B. 6, also failed.

Amendatory Legislation. The Rural Electrification Law of 1935 was repealed by H.B. 58. This Act has been superseded by the Model Act, which was adopted in 1939.

B. Defensive Program

No restrictive legislation came to our attention.

C. Collateral Legislation

The following measures were of general interest to the New Mexico electric cooperatives:

Enacted S.B. 166, approved April 15, 1943 (Ch. 100, Laws 1943), permitted municipal corporations in other states to operate certain electric facilities within New Mexico; H.B. 272 was a companion bill.

S.B. 127, approved April 16, 1943, amended the law relating to fees paid by utilities subject to Commission supervision.

H.B. 164, approved April 16, 1943 (Ch. 96, Laws of 1943), amended the 1939 law regulating and licensing contractors (does not apply to construction or operation of public utilities).

S.B. 163, approved April 14, 1943 (Ch. 73, Laws 1943), amended the law relating to the filing of motor vehicle lien instruments.

H.B. 88, approved and effective February 10, 1943 (Ch. 5, Laws 1943), provided for acknowledgments by members of the armed forces.

S.B. 33, approved April 14, 1943 (Ch. 67, Laws 1943), enacted the Uniform Stock Transfer Act.

H.B. 229, approved April 17, 1943; H.B. 232, approved April 16, 1943;

H.B. 231, approved April 16, 1943; H.B. 226, approved April 16, 1943;

H.B. 227, approved April 16, 1943; H.B. 228, approved April 16, 1943; all amended the Unemployment Compensation Act.

Failed H.B. 87, relating to regulation of utilities.

H.B. 159, regulating resale of gas and electricity.

H.B. 236, 237, 238, S.B. 136, amending the Utilities Act.

S.B. 2, relating to public utilities.

H.B. 272, S.B. 165, relating to electrical systems in towns and cities.

S.B. 105, providing for appointment of Utility Consumers' Counsel.

D. 1945 Program

Repeal of or exemption from the licensing and inspection law will probably again be sought, even though the law has not been vigorously enforced for some months. The cooperatives have developed some very effective support in the New Mexico legislature. It is important to organize our borrowers sufficiently in advance of the 1945 session to bring about a complete understanding of the legislative program.

1943 New York Legislation - Final Report
Session: January 6 to March 26, 1943

A. Affirmative Program

No affirmative program was undertaken during the 1943 session. In 1942 the New York legislature enacted the Model Electric Cooperative Act and the cooperatives which had been organized as public utilities under the Transportation Corporation Law were thereafter converted into cooperatives under the Model Act. In July 1943 three of the cooperatives obtained authorization from WPB to proceed with construction. Applications of other cooperatives are pending. This represents the beginning of the electric cooperative construction program in New York. REA had previously made loans to one private utility company.

B. Defensive Program

Public Service Commission Jurisdiction. A.B. 63 and S.B. 30 (companion bills) proposed to amend the Public Service Law. These bills defined the term "electric submetering corporations" and prohibited them from charging rates higher than the scheduled rates of electric utilities operating in the same territory and furnishing services comparable with those of utility companies in the territory. The definition, which included any person, corporation, etc., "who or which is not an electric corporation" engaged in the distribution of electricity, would probably have included the New York electric cooperatives. Both of these bills failed to pass. A.B. 686, relating to the same subject matter, also failed.

C. Collateral Legislation

Enacted. The most important subject of legislation in the power field during the 1943 session was water power. Both parties advocated revision of the sate laws relating to control over the use of water resources. A number of bills were introduced on both sides of each House. A.B. 110 and S.B. 27 were companion bills which would have amended Article XIV of the New York Constitution by adding a new section which would have vested water power and water power rights of the St. Lawrence and Niagara Rivers in the people, limited licenses to twenty-five years, required equitable rentals, and provided that any public development forever remain the property of the State. S.B. 26, 184, 185, 186, 313 and 940 related to the same subject matter. The bill which was finally enacted appears in Laws 1943 as Chapter 46, effective July 1, 1943. It provides for an amendment of the Conservation Law, reserving to the State control of the use and diversion of State waters and includes a provision relative to fixing water rental rates. The law specifically prohibits diversion unless an equitable rental is paid and also prohibits previous grantees of water rights from diverting water without paying an equitable rental. The power companies affected are now engaged in litigation to test the validity of state action under this law.

A.B. 540, Chapter 120 Laws 1943, approved and effective March 15, 1943, continues the gross income tax on utilities which are subject to Public Service Commission supervision. A.B. 689, Chapter 260 Laws 1943, approved and effective April 3, 1943, amends the Tax Law in relation to reports for the purpose of the emergency tax on the furnishing of electric service.

A.B. 1599, Chapter 386 Laws 1943, approved April 8, 1943, amends the Education Law to require that professional engineers and land surveyors register in the office of the county clerk in the county in which their principal places of business are located; annual registration is required; S.B. 1353 was a companion measure. A.B. 1918, Chapter 677 Laws 1943, approved April 22, 1943, amended the Education Law relative to the qualification of architects for licenses.

S.B. 1160, Chapter 451 Laws 1943, approved April 13, and effective September 1, 1943, amends the Lien Law by providing that chattel mortgages shall be invalid against creditors and subsequent purchasers after the expiration of three years from the date of filing and after the expiration of succeeding terms of one year, ;unless within thrity days after the expiration of each term the required statement is filed.

A.B. 1176, Chapter 353 Laws 1943, approved April 7, 1943, amends the Labor Law relative to precautions required in connection with explosives magazines. S.B. 1174, Chapter 466 Laws 1943, approved April 14, 1943, amends the Labor Law to require that vehicles carrying explosives be conspicuously marked. A.B. 1669, Chapter 477 Laws 1943, approved April 14, 1943, amends the Labor Law relative to the construction of explosives magazines and to regulations concerning the manufacture, storage, transportation and use of explosives. A.B. 1175, Chapter 595 Laws 1943, approved April 17, 1943, amends the Administrative Code of the City of New York relative to sales, shipments and deliveries of explosives; S.B. 931 was a companion bill.

A.B. 1924, Chapter 660 Laws 1943, approved April 20, 1943, revises the 1942 statute creating a temporary Commission for Post-War Public Works Planning. The Commission will remain in operation until July 1, 1944; is directed to report to the Governor and the legislature and to establish liaison with federal agencies. Three million dollars is appropriated.

Failed. The following bills relating to subjects of interest to the rural electrification cooperatives, although not directly affecting their operations, were introduced but failed of passage:

Public Service Commission (PSC) Regulation A.B. 75, S.B. 35 - making it unlawful for public utility companies to keep accounts and records inconsistent with those prescribed by the PSC or under authority of the United States.

A.B. 76, S.B. 36 - requiring public utility companies and municipalities under PSC jurisdiction to conform to uniform methods of

depreciation accounting prescribed by the PSC; authorizing PSC to establish depreciation rates.

A.B. 84, S.B. 29 - Empowering PSC to require gas and electric corporation to give optional rate consumers annual notice as to most economical rate.

A.B. 685 - authorizing PSC to require that lowest rate schedule be applied.

Public Utility Services - Taxes (see enacted bills) S.B. 450 - continuing emergency tax on gross income for additional year.

S.B. 562 - making provision for filing annual emergency tax.

A.B. 182 - emergency tax on utility services.

A.B. 699, S.B. 561 - imposing additional tax for cooperative sale of "propane", etc.

Public Utility Companies - Miscellaneous A.B. 481, 484 - relating to racial discrimination.

A.B. 894 - prohibiting discontinuance of service until notice given.

A.B. 1261, S.B. 1011 - relating to unclaimed deposits.

A.B. 787 - providing for protection of employees against high voltage electric lines.

A.B. 594 - relating to proceeds from operation of municipal utilities.

S.B. 1645 - relating to negligence actions against public utility companies.

Public Power (see enacted bills) S.B. 57 - relating to issuance by municipality of obligations in connection with public utility service.

A.B. 574, S.B. 55 - authorizing the establishment of municipal power authorities to render utility service.

A.B. 777, A.B. 1835, S.B. 1548 - creating New York City Power Authority.

A.B. 1265, S.B. 1015 - prohibiting expenditures from proceeds of securities of the State Power Authority.

Conditional Sales; Chattel Mortgages (see enacted bills) A.B. 533, S.B. 405 - requiring conditional seller to deliver satisfaction piece to buyer.

A.B. 893 - relating to retaking of possession by seller.

S.B. 1433 - increasing period of validity without renewal.

A.B. 475 - concerning after-acquired property provisions in chattel mortgages.

Miscellaneous A.B. 272 - relating to workmen's compensation for employees of nonprofit organizations.

A.B. 1674 - extending provisions of unemployment insurance law to exempt nonprofit organizations.

A.B. 1387 - restricting practice of licensed professional engineers and architects.

A.B. 805, S.B. 624 - creating Commission to assist in flood control program.

A.B. 806, S.B. 626 - appropriating for flood control projects in anticipation of federal funds.

A.B. 807, S.B. 623 - appropriating for State's participation in federal flood control projects.

A.B. 808, S.B. 625 - relating to flood control public works.

D. 1944 Program

There appear to be no problems requiring legislative solution. Operations of our New York borrowers within the next few months may turn up questions which may require legislative solution. The effects of power company interference have already been felt by some of the cooperatives. The possibility exists that the unfriendly attitude of these companies may manifest itself further in the introduction of restrictive legislation. A close defensive watch over legislative developments must be maintained.

1943 North Carolina Legislation - Final Report
Session: January 6 to March 10, 1943

A. Affirmative Program

Easement Registration. The North Carolina electric cooperatives sponsored a bill which would have relieved them from the burdensome requirement of registering easements. S.B. 31 exempting the cooperatives passed in the Senate but was amended in the House before final passage. In its enacted form, it merely relieves the cooperatives from criminal liability for failure to register easements.

B. Defensive Program

Amendatory Legislation. H.B. 592 which would have required publication of financial statements by the Electrification Authority did not reach a vote in the House.

Acquisition. The City of Wilmington sought enactment of a self-contained complete revenue bond measure (S.B. 286) which would have enabled the City to acquire the public utility properties owned and operated by the Tide Water Power Company. Although REA and cooperative representatives had indicated to the City officials the interest of the cooperatives in acquiring the rural properties, no adequate provision with respect thereto was included in the City's bill. Suitable provisions for this purpose were prepared but were not submitted since the bill was reported unfavorably by the committee which considered it. The City thereafter secured enactment of S.B. No. 161 which re-enacted the expired general revenue bond law (Chapter 2, Public Laws, Extra Session 1938) and continued the effective date of the bill with respect to any municipality within New Hanover County (within which the City of Wilmington is located), until March 1, 1945. S.B. 161 appears as Chapter 596, 1943 Session Laws, ratified and effective March 8, 1943.

C. Collateral Legislation

Enacted. S.B. 353, Chapter 782, 1943 Session Laws, ratified and effective March 10, 1943, authorizes the North Carolina Utilities Commission to promulgate rules permitting hearings by less than a majority but requiring report to and final hearing by a majority. H.B. 257, Chapter 172, 1943, Session Laws, ratified and effective February 19, 1943 provides a simple form of corporate acknowledgment. S.B. 240, Chapter 754, 1943 Session Laws, ratified and effective March 10, 1943, requires each State agency, before June 1, 1943, to file a copy of its rules and regulations with the Secretary of State. S.B. 38, Chapter 377, 1943 Session Laws, ratified and effective March 2, 1943, generally amends the Unemployment Compensation Law. H.B. 201, ratified and effective February 15, 1943, amends the Securities Law.

Failed. Three bills, H.B. 80, 651 and 652, all relating to the functions of the Utilities Commission, failed to pass. S.B. 117, which would have provided for judicial review of the rules, regulations and decisions

of the Utilities Commission, failed in the Senate.

D. 1943 Program

It is reported from local sources that there may be some tax problems in North Carolina arising from the acquisition program. The loss of fees to county registrars may have been a factor in defeating the cooperatives registration bill in the form in which it was introduced. In any event, in any legislative program which is undertaken this factor should be given consideration.

The acquisition program may require cooperative participation in the legislative efforts of North Carolina cities in order that cooperative interests in rural areas may be protected. The City of Wilmington may seek reintroduction of the revenue bond measure during the next session of the legislature in which event the amendments which were prepared for the 1943 measure should be reconsidered and furnished to the City officials for consideration of their inclusion in the City's bill before introduction.

Introduction of the Model Act during the 1941 and 1943 sessions was considered but since no operating problems in connection with the State Rural Electrification Authority were encountered this measure was not pressed. The situation should be recanvassed prior to the 1945 session.

1943 North Dakota Legislation - Final Report
Session: January 5 to March 5, 1943

A. Affirmative Program

Ths North Dakota Statewide Rural Electric Cooperative Association followed developments at Bismarck during the entire session. Secretary-Treasurer James F. Coleman of Grand Forks kept in close touch with all measures which would have affected the REA program.

Tax Legislation. S.B. 62, approved March 6, 1943 (Ch. 266, 1943 Session Laws) amended the 1941 gross receipts tax statute (Chapter 282, Session Laws, 1941). Under Chapter 282 the rural electric cooperatives were subjected to a gross receipts tax in lieu of personal property taxation. During the first 5 years of operations a gross receipts tax of 1% was imposed; thereafter the tax was 2% on gross receipts. The 1943 revision (a) clarified the provision classifying the cooperative property for the purpose of taxation; (b) amended the definition of personal property by adding "substations . . . and office fixtures" and by eliminating "fixtures and improvements of every character upon land"; (c) revised the requirements with respect to tax reports and allocation of the tax; and (d) clarified the language relating to the running of the five-year period.

B. Defensive Program

No measures came to our attention which would have restricted the REA program in North Dakota.

C. Collateral Legislation

Enacted. S.B. 152, approved and effective March 10, 1943 (Ch. 163, 1943 Session Laws) amended and reenacted §6 of Chapter 110, 1937 Session Laws, prescribing license fees for public contractors. H.B. 139, approved March 9, 1943 (Ch. 162, 1943 Session Laws) enacted a new law providing for the registration and licensing of professional engineers. H.B. 213, approved and effective March 10, 1943 (Ch. 167, 1943 Session Laws) amended and reenacted the statutory provision relating to filing, renewal and limitations of chattel mortgages. H.B. 83, approved March 3, 1943 (Ch. 264, 1943 Session Laws) enacted a 2% gross receipts tax for fiscal 1944 and 1945 on retail sales, including receipts from sales of electric energy.

S.B. 37, approved March 20, 1943 (Ch. 274, 1943 Session Laws) amended the Workmen's Compensation Act in several particulars. S.B. 125, approved and effective March 11, 1943 (Ch. 164, 1943 Session Laws) amended the 1941 licensing laws for plumbers to provide for the issuance of temporary permits.

S.B. 137, approved and effective March 5, 1943 (Ch. 174, 1943 Session Laws) authorized acknowledgment of instruments by members of the armed forces before commissioned officers, and validated such acknowledgments previously made.

S.B. 140, approved March 17, 1943 (Ch. 177, 1943 Session Laws) created a State Post-War Planning Board, empowered and directed to formulate a program, cooperate with the Federal Government, and report to the legislature; and appropriated $30,000 therefor.

H.B. 173, approved March 9, 1943 (Ch. 110, 1943 Session Laws) enacted the Uniform Stock Transfer Act.

Failed. H.B. 152, the uniform conditional sales law, was defeated.

D. 1945 Program

The Public Service Commission has partial jurisdiction over the cooperatives, and the exercise of such jurisdiction should be carefully followed during the next two years. Unless some real difficulty is encountered with the Commission, it might be advisable to refrain from seeking exemption therefrom. Such an attempt failed in 1941, and at the 1943 session prospects for exemption were not improved.

1943 Ohio Legislation - Final Report
Session: January 4 to June 24, 1943

A. Affirmative Program

No affirmative measures were sponsored at the 1943 session. The R.E.A. Legislative and Tax Committee of Ohio was represented at Columbus by counsel throughout the session. The decision not to sponsor any affirmative measures was reached because of the probability that defensive activity might require the Committee's full attention.

B. Defensive Program

No measures directly affecting the rural electrification program were introduced.

C. Collateral Legislation

Enacted

Safety Requirements. H.B. 154, approved May 18, 1943, effective August 18, 1943, amended the General Code relative to the installation of electrical lighting systems by providing that materials and installations shall be in accordance with the National Board of Fire Underwriters' 1940 National Electrical Code. Additional wiring specifications are set out in this measure.

H.B. 196, approved and effective April 26, 1943, reenacted the additional .65 excise tax on gross receipts of public utilities and extended its effectiveness to April 30, 1945. Thus the total gross receipts tax during 1945 will continue to be 3 percent

S.B. 175, approved April 26, 1943, amended the Code provisions relative to utility tax procedure.

S.B. 174, approved March 27, effective June 26, 1943, further amended the statute establishing the Public Utilities Commission Fund and provided for the apportionment of the assessment levied against public utilities.

H.B. 358, approved May 28, 1943, effective August 27, 1943, amended General Code Section 499, relative to expenses of the Public Utilities Commission.

H.B. 206, approved May 14, 1943, effective August 14, 1943, provided for the regulation by the Department of Agriculture of cold storage food lockers.

H.B. 307, approved April 26, 1943, effective June 26, 1943, amended Section 9334 of the Ohio General Code, reducing the interest rate from 6 per cent to 3 per cent on utility customers' deposits.

H.B. 246, approved May 11, 1943, effective August 11, 1943, amended section 4326 General Code to authorize transfer by ordinance from director of public service to a board of the management of municipally owned utilities.

S.B. 37, approved May 7, 1943, effective August 6, 1943, amended the law relative to qualifications, registration and practice of professional engineers and surveyors (H.B. 69, companion bill).

S.B. 20, approved June 8, 1943, provided for the licensing of stationary steam boiler operators.

S.B. 186, approved June 28, 1943, effective September 28, 1943, amended the law relative to the recordation of mortgages upon both real and personal property, providing that such instruments may be indexed as chattel mortgages when they have also been recorded as real estate mortgages. An affidavit must also be filed as required by section 8564, General Code.

S.B. 36, approved June 3, 1943, the "Administrative Procedure Act" (at considerable length), furnished uniform procedure for the several licensing agencies of the State. The Public Utilities Commission is specifically excluded from its operation.

H.B. 400, approved May 28, 1943, effective August 28, 1943, liberalized the provisions of the Cooperative Agricultural Association Law relative to purposes, powers and operation; amended General Code sections 10186-3, 4, 5, 13.

S.B. 121, approved May 18, 1943, simplified the requirements with respect to certificates of acknowledgment on instruments affecting real property; superseded General Code section 8510.

H.B. 96, approved April 6, 1943 and effective July 7, 1943, authorized and validated acknowledgments before commissioned officers.

S.B. 119, approved May 17, 1943, amended General Code section 8536, relative to recording powers of attorney.

S.B. 246, approved June 15, 1943, made provision for assessment of personal property taxes when such property was previously assessed as real property.

S.B. 18, approved and effective June 29, 1943, created a Post-War Program Commission (with an assignment sufficiently broad to include rural electrification) to report plans to the Governor and Legislature; $20,000 is appropriated. (Senators Bubna, Kane, Adams, Boyd and Bartunek; Represenatives Burgett, O'Neill, Fair, and Huml have been appointed to the Commission; other state officials participate.)

S.B. 205, approved June 29, 1943, created a "Small Business Commission" to study causes of plight of small business and develop a program to minimize failures, and to report to the general assembly; $10,000 is appropriated.

H.B. 352, approved May 14, 1943, amended the law to provide for direct payment of workmen's compensation by publicly-owned utilities.

S.B. 159, approved and effective June 15, 1943, amended the Workmen's Compensation Act in several particulars.

S.B. 202, approved June 28, 1943, generally amended the Unemployment Compensation Act.

Failed

H.B. 362,S.B. 261 would have provided for the taxation by municipally-owned utilities on the same basis as private companies; the REA-financed cooperatives actively opposed this measure.

H.B. 99, H.B. 235, both relating to the levy of tax on gross receipts of public utilities.

S.B. 177 would have amended sections 5474 and 5475 of the General Code to eliminate double taxation of certain gross receipts of public utilities.

H.B. 233, S.B. 116 would have supplemented General Code section 4366 by providing for the regulation of the location, uses and other characteristics of buildings, and uses of land by zoning the unincorporated territory of counties, and granting powers to boards of county commissioners.

S.B. 201, S.B. 262 would have amended the General Code with respect to procedure of the public service commission in rate cases.

H.B. 290, S.B. 152 would have provided for the licensing of stationary steam boiler operators. [S.B. 20 on the same subject was enacted.]

H.B. 377 would have added section 614-21a to the General Code, relative to the filing of complaints against public utilities; passed House, 74-32; failed in Senate.

HJR 44 would have created a commission to investigate the activities of cooperative agricultural and marketing associations.

D. 1945 Program

The Ohio electric cooperatives are organized under the Non-Profit Corporation Act. No great difficulty in organizing and operating electric cooperatives under this Act has been reported. At present there do not appear any problems requiring legislative solution.

1943 Oklahoma Legislation - Final Report
Session: January 5 to April 1, 1943

A. Affirmative Program

Tax Legislation. The Oklahoma Legislature enacted H.B. 130 (approved and effective April 1, 1943, Ch. 20a, 1943 Session Laws) providing for a 2 per cent gross receipts tax for rural electric cooperatives in lieu of all other taxation. This measure was sponsored by the Statewide Association of Oklahoma REA Cooperatives which conducted an intensive campaign in its support. The private utility lobby used every effort to defeat the measure; the bill was enacted shortly before the legislature adjourned. H.B. 326, relating to the same subject matter, was referred to the House Committee on Public Service Corporations, where it died. Much of the credit for passage of the tax bill is due to Mr. R. B. Boecher, Manager of Oklahoma 1 Kingfisher, who devoted much time and effort to the legislative campaign. Indications are that the constitutionality of the statute will probably be questioned.

B. Defensive Program

No measures inimical to the REA program came to our attention.

C. Collateral Legislation

Enacted. H.B. 371, approved and effective April 12, 1943, amends Section 1251m, Title 68, Okla. Stats. 1941, to authorize the Oklahoma Tax Commission to waive the sales tax on gross receipts derived from the sales of material, including public utility services, purchased and used by a contractor or sub-contractor in carrying out a bona fide "cost-plus" contract with the United States made in the interest of military or naval national defense. H.B. 434, approved and effective April 12, 1943, authorizes similar waiver with respect to the tax on the storage, use or other consumption of tangible personal property purchased by a contractor for carrying out "cost-plus" contracts with the United States for military or naval national defense. Both H.B. 371 and 434 expire June 30, 1945 unless sooner repealed.

S.B. 88, approved and effective April 12, 1943, authorizes the Governor to remove any or all of the board of directors of the Grand River Dam Authority, notwithstanding the provisions of the 1941 law relating thereto, and to appoint successors to serve at his pleasure.

H.B. 249, approved and effective April 12, 1943, amends the Workmen's Compensation Law in several particulars.

H.B. 205, approved and effective March 26, 1943, amends the Unemployment Compensation Insurance Law in respect of rates of contribution by employers.

H.B. 51, approved and effective March 29, 1943, repeals the 1941 law relating to the manufacture, sale, etc., of explosives.

Failed. Two bills, relating to the regulation, etc., of explosives, S.B. 147 and 244, failed to pass. S.B. 186, relating to public utility properties, is reported to have died in the House.

D. 1945 Program

The experience of our borrowers with the 1943 gross receipts tax statute should be carefully followed. Further consideration should be given to the introduction of legislation amending Section 11282, Okla. Stats., to eliminate the necessity of renewal affidavits in connection with mortgages and deeds of trust. The need for such legislation has long existed but hitherto its introduction has not been considered propitious.

As yet, the Oklahoma cooperatives, which enjoy exemption from Commission jurisdiction by specific provision in the 1939 Electric Cooperative Act, have not reported any difficulty arising out of the definition of "public service corporation" which appeared in S.B. 61, enacted by the 1941 legislature. Developments in this field should be watched.

It is quite possible that public power will become a live issue in Oklahoma by the time the 1945 session organizes. The Grand River, Denison and Norfolk Dams, under the new Southwestern Power Administration, may, by that time, have available large supplies of power. The race between the power companies and public and cooperative users may well run its most important lap in the 1945 legislature.

To protect cooperative interests in the foregoing matters, it is important that the State Association be kept intact so that the efforts of the REA-financed projects can be promptly and effectively coordinated at the 1945 session. It would appear well worthwhile to stimulate the interest of each of the Oklahoma cooperatives in and to enlist their support for the Association as a legislative tool, for both affirmative and defensive programs.

1943 Oregon Legislation - Final Report
Session: January 11 to March 10, 1943

A. Affirmative Program

Tax Legislation. The Oregon cooperatives at the 1943 session of the legislature initiated a program seeking exemption from ad valorem taxation for all of their properties except real estate. H.B. 273 was sponsored, establishing a procedure whereby the State Tax Commission would have authority on petition of the cooperatives to grant complete exemption. The matter was referred to the House Committee on Utilities and immediate opposition was encountered. The Committee was inclined to cooperate with the rural electric associations, but was unwilling to grant complete exemption. A compromise was finally reached and the Committee reported out H.B. 393 as a substitute for the measure referred to it. As enacted, H.B. 393(approved March 19, 1943) provides for a tax of 2 per cent on all gross earnings derived from the sale and distribution of electric energy. The gross receipts tax is in lieu of all other taxes on the transmission and distribution lines; however, land or buildings owned by the associations remain subject to the usual taxes. Nor does the exemption apply to any revenue derived from any other sources except from the sale and distribution of electric energy. A Senate amendment required that the State Tax Commission shall allocate the amounts received to the various counties in which the lines are located on a proportionate basis. The measure applies to 1943 taxes and to each assessment period thereafter.

B. Defensive Program

S.B. 42 would have provided for regulation of construction, etc., of electrical transmission lines, etc.; it was not reported out of the Committee on Industries.

C. Collateral Legislation

Enacted

Taxation of Municipal Utilities. H.B. 214 would have provided for the taxation of electric properties owned by municipalities on the same basis as private corporations furnishing power, energy or electric service to the public. This measure was adversely reported by the House Committee on Utilities which later reported a substitute measure, H.B. 392, approved March 19, 1943, providing that municipal utilities shall pay a 3 per cent gross revenue tax when debt-free and after adequate reserves have been established.

S.B. 63, providing procedure for adoption of supplementary articles of association by cooperative associations, was approved by the Governor on February 15, 1943; it amended section 77-510, O.C.L.A.

H.B. 185 amended section 112-467 O.C.L.A. relative to the liability of a public utility. This measure provides that the treble damages for violations of the statute by a utility shall not apply in cases where the liability is otherwise fixed by law. This measure was approved by the Governor on February 27, 1943.

H.B. 360, approved March 25, 1943, repealed sections 113-412, 113-413, 113-414 O.C.L.A. and thereby abolished the requirement that approval must be obtained from the County Court for the stringing of electric wires across railroad tracks. This bill was substitute for H.B. 184.

S.B. 211, approved March 30, 1943, amended section 12-404 O.C.L.A., relating to actions for the condemnation of lands.

S.B. 222, approved March 20, 1943, provided a procedure for corporate merger and consolidation.

H.B. 207, approved February 27, 1943, amended sections 52-203, 52-305 O.C.L.A., relating to the registration of engineers.

H.B. 268 enacted a general retail sales tax law which was to be referred to the voters at the next general election.

H.B. 258, approved March 17, 1943, amended section 68-203 O.C.L.A., as amended, relating to the filing, recording and satisfaction of chattel mortgages.

H.B. 320, approved March 29, 1943, relating to the right of a corporation to purchase its own stock.

S.B. 64, approved March 12, 1943, amended sections 102-1247, 102-1251 O.C.L.A., relating to inspection of boilers, etc.

H.B. 99, approved and effective February 11, 1943, provided for acknowledgments before commissioned officers.

S.B. 94, approved March 22, 1943, amended section 102-1762 O.C.L.A., relating to workmen's compensation.

S.B. 174, approved March 1, 1943, amended section 102-1738 O.C.L.A., relating to the Workmen's Compensation Act.

S.B. 279, approved March 29, 1943, amended the Workmen's Compensation laws.

Failed

S.B. 261 would have amended section 114-245 O.C.L.A., as amended, relating to the powers of peoples' utility districts; the Committee on Railroads and Utilities had recommended that it be amended and passed.

S.B. 304 would have amended section 114-203 O.C.L.A., relating to peoples' utility districts.

D. 1945 Program

All REA borrowers in Oregon are organized under the Non-Profit Cooperative Association Act. As yet no loans have been made to peoples' utility districts.

Legislative needs in 1945 will undoubtedly be molded by the direction of the development of rural electrification in Oregon. If REA is called upon to finance the peoples' utility districts' rural electrification programs, it may become necessary to seek further amendment of the Peoples' Utility District Law. Any such program should be worked out in close coordination with the Bonneville Power Administration.

1943 Pennsylvania Legislation - Final Report
Session: January 5 to May 8 (9), 1943

A. Affirmative Program

No affirmative program was undertaken. Although introduction of a measure tightening the operation of the preemption statute was considered, the political atmosphere at Harrisburg discouraged this venture; it was abandoned after discussion with representatives of the Pennsylvania cooperatives. A proposal to amend the Electric Cooperative Corporation Act of 1937 to provide for amendment of bylaws by members rather than by directors was abandoned for the same reason.

B. Defensive Program

Amendatory Legislation. On March 15 two bills were introduced which were directly aimed at curtailing and impeding the rural electrification program. H.B. 794 would have amended the preemption statute by requiring a very detailed map of the proposed territory and statement relative to prospective consumers to be filed with the Public Utility Commission and to be served upon any utility companies affected thereby. This bill would also have repealed the existing preemption provisions protecting the cooperatives during the development and construction period. H.B. 809 would have amended the Electric Cooperative Corporation Act (1) by changing the definition of "rural areas" so that it would include areas having 700 inhabitants or less, the existing provision being 2500 inhabitants; (2) by subjecting the cooperatives to a requirement that they obtain certificates of public convenience from the Public Utility Commission; and (3) by restricting the cooperative power of eminent domain so that it could not be exercised with respect to property of private power companies. These bills constituted a very serious threat to continuance and extension of the cooperative rural electrification program. Their origin was traced to the Pennsylvania Electric Association, representatives of which sought to secure cooperative assent to compromise amendment of H.B. 804 so that the Public Utility Commission's jurisdiction would extend only to cooperatives formed in the future. On April 7 this bill was reported favorably by the House Committee on Public Utilities; on April 12 it passed first reading without amendment. Representatives of the Pennsylvania Association of Electric Cooperatives opposed the bill vigorously and refused to compromise on any of its provisions. They effectively marshalled rural support for the cooperative cause. The utility bloc, hoping thereby to pick up sufficient rural votes to press the bill to final passage, had the commission jurisdiction provision amended to apply only to newly organized cooperatives. In this form the bill passed second reading on April 26. However, its proponents could not secure enough votes to get it through the House and on May 5, three days before adjournment, the bill was dropped from the calendar. H.B. 794 was never reported out of the House Committee on Public Utilities.

It should be noted that the cooperative opposition to these bills was not unanimous. In fact, dissident personalities within the electric cooperative group itself furnished a great deal of difficulty which should

never have been encountered. This aspect of the 1943 campaign must be given effective attention and handling prior to the next general session of the Pennsylvania legislature. Because of it, the cooperatives were required to be continuously on the defensive against a very definite possibility of enactment of these very obstructive measures.

Electrical Licensing and Inspection Bill. Because of its burdensome licensing provisions, H.B. 618 was opposed by the cooperatives. It never came out of the House Committee on Public Utilities.

Safety Standards. H.B. 141 would have required that all electrical appliances, materials, etc. installed after its effective date be approved by the National Board of Fire Underwriters. It was not reported out of Committee.

Meter Inspection. H.B. 1080 which would have required persons and associations furnishing electric current to inspect meters periodically remained before the Committee on Public Utilities.

Rates and Service. H.B. 101 would have subjected suppliers of electricity to liability for damages occasioned by failure or shutting off of electric current. H.B. 599 and H.B. 992 would have prohibited a lessor of property who supplies electricity to his lessee from charging a rate greater than that which might be charged by his supplier.

Recordation. H.B. 1047, implementing the existing statutory requirement as to the recordation of all written instruments relative to land conveyance by the imposition of a fine for failure to record, failed in Committee. While it is not clear that the existing law applies to easements granted to our borrowers and mortgaged in turn to secure REA loans, the provision is of general interest in so far as it might affect real property belonging to our borrowers.

C. Collateral Legislation

A complete and continuous check was made of all bills introduced in both Houses and the progress of those measures which touched on matters affecting our borrowers was closely followed.

Enacted. S.B. 250, approved on March 8 (Act No. 17) amended the Public Utility Law by providing that members of the Public Utility Commission shall not hold over upon the expiration of their terms. This bill was pressed by the Administration when it became apparent that the Governor's nominee to succeed Commissioner Richard J. Beamish would not be confirmed by the Senate. In this connection, S. Res. 1, introduced by Sen. Jerome Jaspan, to establish a bipartisan committee to investigate the qualifications of the Governor's nominee, should be noted. Although Senator Jaspan's resolution was not adopted, the opposition to the nominee was sufficient to cause the Governor to withdraw his nomination.

No appointment was made until after adjournment of the legislature.

H.B. 993, approved on May 3 (Act No. 81) amended the law relating to tax exemption by excluding from the classification of "public property used for public purposes", "property otherwise taxable which is owned or held by an agency of the government of the United States". The intent of this act is clear; its validity is not.

S.B. 473, approved May 26 (Act No. 292) amends the Authorities Law in several respects, including a new provision relative to joining and withdrawing from joint Authorities. S.B. 613, approved May 21 (Act No. 260) amends the Authorities Law to permit the lease of any project, with the approval of the Governor, to persons, etc., engaged in war production. H. Res. Serial No. 101, adopted May 8, establishes a Joint State Government Commission to investigate Municipal Authorities and the law under which they are created and to report thereon to the next special or regular session.

H.B. 522, approved April 28 (Act No. 51) creates a Post-War Planning Commission, to be appointed by the Governor, confers powers and duties and makes appropriation for salaries and expenses. Although its field of operation is delineated in some detail, rural electrification is not mentioned.

Failed. Comparatively few bills of a restrictive nature relating to public utilities were introduced; none of them was adopted. H.B. 12 would have subjected the real property of electric companies, except lines and rights of way, to local taxes. S.B. 62 sought to amend the Public Utility Law to protect the rates of patrons who, by reason of merger, etc., of companies, had been transferred from one public utility to another whose rates were higher. S.B. 328 contained several miscellaneous and clarifying amendments of the Public Utility Law.

S.B. 42 proposed to extend the jurisdiction of the Public Utility Commission to include regulation of rates charged by municipal corporations for public utility service furnished beyond their corporate limits.

H.B. 281, authorizing the use of electric fences along highways and conferring jurisdiction on the Public Utility Commission to adopt rules and regulations establishing safety standards, was passed by the House, 202-0, and by the Senate, 42-2, but was vetoed by the Governor after adjournment of the legislature.

The following measures amending the Authorities Law all failed of passage: H.B. 76, extending the powers of authorities to include electric light plants as projects; H.B. 160 and S.B. 491 extending the power of Authorities to include production, generation, transmission, etc., of electricity and gas. S.B. 271 proposed an amendment of the Public Utility Law, placing municipal authoritites under the control and regulation of the Public Utility Commission.

H.B. 94 would have provided a complete "Municipal Utility Law", covering the acquisition and construction of utility facilities, including gas, electric energy, steam, water and sewage, their operation, etc. Acquisition by condemnation of cooperative properties was expressly prohibited. The bill was never reported out of committee.

H.B. 1, 9, 27, 46, H. Res. 56 and S.B. 10 were all post-war planning bills which failed. H.B. 46 and S.B. 10, companion bills, and H. Res. 56 were the only measures which specifically included a rural electrification program.

H.B. 320 and S.B. 53, companion "Administrative Agency Laws", would have established uniform requirements with respect to regulations of and practice and procedure before and review of the determinations of all state administrative agencies with certain enumerated exceptions. The Public Utility Commission was specifically exempted.

D. 1945 Program

Enactment of strengthening amendments of the territorial preemption provision and of an amendment placing the power to revise bylaws in the hands of members rather than directors appear desirable. Neither of these measures should be sought unless the legislature is friendly and until it is determined, as definitely as possible, that the danger of other inimical amendments can be effectively met. Adequate precautions must be taken with respect to restrictive measures; attack upon the program by the Pennsylvania Electric Association must be anticipated. Our borrowers must be unified; the dissidence which was encountered during the 1943 session must be avoided by pre-session discussion of Pennsylvania problems and their solution; points of difference must be ironed out.

1943 Rhode Island Legislation - Final Report
Session: January 5 to April 20 (21), 1943

A. Affirmative Program

None.

B. Defensive Program

None.

C. Collateral Legislation

None.

D. 1945 Program

None.

1943 South Carolina Legislation - Final Report
Session: January 12 to April 17, 1943

A. Affirmative Program

Easement Legislation. In the 1941 and 1942 sessions unsuccessful attempts had been made to secure enactment of a measure providing a six month period of limitation on proceedings relative to easements granted to rural electric cooperatives. The measure was not reintroduced during the 1943 session.

Santee-Cooper Bills. A number of our South Carolina borrowers prior to the 1943 session discussed support of legislation sponsored by the South Carolina Public Authority authorizing acquisition of the South Carolina Gas and Electric Company and Lexington Water Power Company properties. Sharp differences of opinion arose. The situation was further complicated by the pendency of negotiations between some of the cooperatives and the Authority with respect to electric rates. The Authority having been prevented in court proceedings from going ahead with the acquisition under existing law, bills (H.B. 405, S.B. 259) were introduced to provide the necessary authority. At the request of the electric cooperatives, amendments were drafted protecting their interests in the rural utility properties to be acquired and in extensions by the Authority into rural territory. It was decided not to submit the amendments until after some indication had been made of legislative sentiment. The Senate bill was reported favorably but utility company opposition and political differences made passage in the Senate so uncertain that it was decided to withdraw it from consideration and have it referred to the 1944 session. The cooperative amendments were not submitted.

Introduction of a bill requiring the power companies to carry Santee-Cooper power to the cooperative and public users was considered. Adjournment of the legislature disposed of this proposal. However, it may be revived at the 1944 session.

A group on interested cooperatives attempted to work out the acquisition in conjunction with the City of Columbia but their efforts encountered the same obstacles as did the legislation. Recently the two companies were merged. The future course of the acquisition program with respect to the new company is uncertain. The Santee-Cooper option expired on June 30.

B. Defensive Program

Amendatory Legislation. H.B. 198 would have amended the 1939 Rural Electrification Act to provide for rural telephone cooperatives. Although sponsored by persons friendly to the rural electrification program, its introduction was most inopportune as it brought the powerful telephone companies into a legislative scene which was already quite complicated. No active participation was taken by the electric cooperatives. The measure was reported unfavorably. A similar bill had been introduced in the 1942 session.

C. Collateral Legislation

Enacted S.B. 306, relating to the incorporation of and definition of powers and duties of the South Carolina Public Service Authority, passed both Houses and was sent to the Governor for approval on April 17, 1943; the bill is still in the Governor's possession.

H.B. 592, approved and effecitve April 24, 1943 (Governor's Act No. 262, Laws 1943), provides for the taking of acknowledgments, etc., of persons in the armed forces by commissioned officers.

H.B. 362, approved and effective April 19, 1943, (Governor's Act No. 189, Laws 1943), amends section 8876 of the 1942 Code, providing that mortgages of leaseholds or other interests in real estate shall be deemed to be mortgages of real estate and recorded accordingly.

S.B. 220, H.B. 465, approved and effective May 27, 1943 (Governor's Act No. 348), amends the Unemployment Compensation Act in connection with business successors, ratings and provides for experiments with a stamp plan.

Failed Copies of bills which failed of enactment were not available because of the South Carolina practice of printing only those bills which are favorably reported. The following bills relating to the Public Service Authority were introduced: S.B. 337 relating to the sale of its properties and holdings; S.B. 314 providing for the furnishing to the State of certain information. H.B. 56 and 57 would have created a standing House Committee on Public Utilities to consider Santee-Cooper bills.

H.B. 39, S.B. 20 and S.B. 70 proposed election of members of the Public Service Commission. H.B. 130 related to extensions of municipal electric facilitites beyond municipal limits.

D. 1944 Program

Santee Cooper legislation may play a prominent role in the next session. Developments in this quarter must be followed and the electric cooperative interests protected. The Authority's plans relative to its acquisition program appear uncertain at present. The decision as to cooperative sponsorship of a bill requiring power companies to serve as common carriers of Santee-Cooper power should be made only after the entire situation is restudied.

Reinstroduction of the telephone cooperative amendment may be expected. It is also quite probable that the cooperatives will sponsor legislation establishing a short period of limitations on proceedings arising out of easements.

1943 South Dakota Legislation - Final Report
Session: January 5 to March 5, 1943

A. Affirmative Program

At a statewide meeting of REA borrowers' representatives, the advisability of launching an affirmative program was considered. Amendment of the telephone interference statute to relieve the cooperatives from expense in connection with metallicization constituted the principal item carried over from 1941. The statewide association could not agree on the matter. There was some sentiment for seeking a change in the telephone interference statute but the majority of our borrowers felt it unwise to seek any affirmative action from the legislature. There was some apprehension in the statewide that all of the cooperatives' strength would be needed defensively. Accordingly, plans were abandoned for seeking the necessary changes.

B. Defensive Program

No legislation inimical to the rural electrification program was introduced.

C. Collateral Legislation

Enacted

Division of Cooperatives. H.B. 169, approved March 8, 1943, created in the Department of Agriculture a division of cooperatives, the function of which is to aid cooperatives by serving as a "source of cooperation and information in the establishment and/or maintenance of cooperatives generally." The Secretary of Agriculture is the chief of the division, and under the statute he must assemble and maintain files of data relating to the work and progress of cooperative enterprises, including the statutes of the several states. This information must be disseminated for the use of established cooperatives and new projects. The Secretary must render personal assistance generally to cooperatives.

Refrigerated Locker Plants. H.B. 80, approved March 8, 1943, makes refrigerated locker plants subject to the jurisdiction of the South Dakota Department of Agriculture. A license must be obtained and the method of storing foods is prescribed in the statute.

Rural Telephone Legislation. S.B. 224, approved March 8, 1943, amended Section 52.1305, South Dakota Code 1937, by relaxing the rules relative to stockholders' meetings for rural telephone companies. The requirement that a majority of stockholders or members is necessary for the conduct of a legal meeting is relaxed to the extent that a lesser number than a majority can lawfully conduct a stockholders' or members' meeting provided

some of the stockholders have moved away or their whereabouts is unknown.

S.B. 204, approved March 6, 1943, amended the occupational sales tax law which imposes a 2 per cent gross receipts tax on the sale of electric energy.

S.B. 149, approved March 5, 1943, required profit corporations, except banks, public utilities reporting to the Public Service Commission, to file annual reports.

S.B. 100, approved February 22, 1943, validated affidavits and acknowledgments taken by commissioned officers.

S.B. 101, approved March 6, 1943, provided for the making of affidavits by persons in the armed forces.

S.B. 20, approved and effective February 6, 1943, made provision for acknowledgments by persons in the armed forces.

Unemployment Compensation Act

H.B. 45, approved February 9, 1943, amended the law relating to records and reports of employers.

H.B. 47, approved February 17, 1943, related to disqualification for benefits.

H.B. 62, approved March 4, 1943, provided miscellaneous amendments.

H.B. 63, approved and effective March 4, 1943, amended the provisions with respect to benefit year and base period.

H.B. 64, approved March 6, 1943, amended the benefit provisions.

H.B. 65, approved March 4, 1943, amended the benefit provisions.

H.B. 66, approved March 3, 1943, amended the procedural provisions.

S.B. 88, approved March 2, 1943, abolished the Unemployment Compensation Commission and transferred its duties to the Unemployment Compensation Commissioner.

Workmen's Compensation Act

H.B. 84, approved February 24, 1943, amended the provision for medical and hospital expense.

H.B. 154, approved March 6, 1943, amended the benefit provisions.

S.B. 124, approved March 8, 1943, amended the definitions in the Workmen's Compensation Act.

Failed

Tax Legislation. H.B. 200 would have imposed an additional 1 per cent gross receipts tax on the sale of electric energy. This measure died in a House Committee.

D. 1945 Program

The South Dakota cooperatives are organized under the general Cooperative Associations Act. The Model Act was introduced in the 1941 session, but failed to come out of committee. A series of amendments to the Cooperative Associations Act were incorporated in a bill that was introduced in the 1941 session. This bill also failed to come out of committee. These bills were not introduced during the 1943 session. Whether or not their enactment should be sought during the 1945 session will depend largely on the extent to which our cooperative borrowers have been educated as to the need for the legislation and for adequate organization to operate successfully in the legislative field. It may well be that the division of cooperatives established under H.B. 169, enacted at the 1943 session, may furnish a vehicle through which cooperation of the South Dakota Department of Agriculture may be obtained. This possibility should be thoroughly explored.

1943 Tennessee Legislation - Final Report
Session: January 4 to February 11, 1943

A. Affirmative Program

No affirmative program was conducted.

B. Defensive Program

Licensing and Inspection Bill - H.B. 362 (S.B. 309) provided for the establishment of a state electrical board. This measure also set up a standard of construction for electrical installations and provided for the licensing of electricians and the inspection of all construction. This measure was defeated through the combined efforts of the Governor and legislators friendly to the rural electrification program. Opposition was asserted because of the probability that rural construction would be made more costly and the inspection system could have seriously retarded an accelerated REA development program in Tennessee.

H.B. 512 and S.B. 309 and 438, all relating to electrical licensing and inspection, were also defeated.

C. Collateral Legislation

Enacted

H.B.745, approved and effective February 9, 1943 (Ch. 325, Private Acts 1943), validated LaFollette City Ordinance No. 222 (1939) creating a board of public utilities; S.B. 625 was the companion bill in the Senate.

H.B. 13, approved and effective February 2, 1943 (Ch. 18, Private Acts 1943), amended the charter of Fayetteville relating to the powers of the Town Board of Public Utilities to contract for services of an electric plant superintendent.

H.B. 348, passed over veto and effective January 21, 1943 (Ch. 239, Private Acts 1943), provides that payments in lieu of taxes equivalent to those payable if the properties were privately owned, be paid into the city general fund and for County and State taxes, out of revenues of electric properties of the City of Sparta.

S.B. 25, approved and effective January 19, 1943 (Ch. 27, Private Acts 1943), authorizes the City of Memphis to issue four million dollars in bonds for acquisition, erection, etc., of a municipal electrical plant. S.B. 713, approved and effective February 10, 1943 (Ch. 336, Private Acts 1943) relates to the same subject matter and repeals Chapter 27 (S.B. 25).

S.B. 122, approved and effective February 11, 1943 (Ch. 141, Public Acts 1943), amends Tennessee Code Section 5638, providing that all trolley and other wire in mines be constructed on approved insulators so as not to become hazardous from mine fires; H.B. 93 was a similar bill.

S.B. 346, approved February 11, 1943 (Ch. 126, Public Acts 1943), amends the Utility District Act of 1937 by excluding from its provisions all counties having a population not more than 179,000, nor less than 178,000 according to the 1940 census (Knox County).

S.B. 399, approved and effective February 11, 1943 (Ch. 111, Public Acts 1943), makes provision for distribution to municipalities of sums received from TVA in lieu of taxes.

S.B. 267, approved and effective February 11, 1943 (Ch. 129, Public Acts 1943), provides for extension and continuation of liens on realty for any agreed term beyond the 10-year period provided for in Section 8590, 1932 Tenn. Code.

S.B. 618, 620, and 709, approved February 11, 1943 (Chs. 133, 132 and 146, respectively, Public Acts 1943), amend the Unemployment Compensation Act in several particulars.

S.B. 296, H.B. 903, S.B. 70, approved February 11, 1943 (Chs. 110, 117 and 120, respectively, Public Acts 1943) amend the Workmen's Compensation Act.

S. Res. No. 3, adopted by the Senate on January 4, 1943, was an expression of tribute to Senator George W. Norris upon his retirement.

Failed. H.B. 310, S.B. 249, creating an east Tennessee utility district. Enactment of this measure might have jeopardized certain acquisitions in eastern Tennessee.

H.B. 584 and S.B. 495, imposing a pole tax on telegraph and telephone companies.

H.B. 918 would have repealed the act providing for the incorporation of utility districts.

D. 1945 Program

Electrical licensing and inspection measures should be carefully studied. The subject must be carefully approached because of the question of policy that is always involved in opposing inspection measures. The 1943 inspection bills, like those filed in 1941, were sponsored by the Independent Brotherhood of Electrical Workers. Most of our information on Tennessee has come from TVA officials. Collaboration with TVA on Tennessee legislative matters is essential and should be continued.

1943 Texas Legislation - Final Report
Session: January 12 to May 11 (12), 1943

A. Affirmative Program

An attempt was made to stimulate interest in tax legislation and in certain clarifying amendments to the Electric Cooperative Corporation Act of 1937. Our Texas borrowers felt that the defensive legislative program would require their full attention; therefore no affirmative program was undertaken.

B. Defensive Program

Zoning Bills. H.B. 625 and H.B. 626, providing, respectively, for the zoning of towns and county planning, were both defeated. These measures were similar to the measures defeated at the 1941 session and would have set up planning boards in the various counties with full authority to order the transfer of structures, including electric facilities, within the borders of the various zones.

Public Power. H.B. 230, as originally introduced, provided for the limitation of the activities of the various state power authorities in Texas. Electric cooperatives are specifically exempted. Among the objectionable features was a provision prohibiting the manufacturing by the various authorities of electric energy in any territory except that embraced in the original charter. This bill would have curtailed the operations of Guadaloupe-Blanco and Brazos River Authority, and might have threatened public power development in Texas. Through the efforts of Texas Power Reserve Electric Cooperative, this measure was amended by eliminating the territorial restrictions. The bill was finally enacted (approved May 22, 1943). The bill makes subject to the Attorney General's approval all of the Authority's contracts for the acquisition or disposition of any existing electric transmission lines or distribution systems. The compensation to be paid to the directors and attorneys representing the districts is also regulated.

Brazos Investigation. S.R. 60 established a committee to investigate the Brazos River Conservation and Reclamation District and the Brazos River Transmission Electric Cooperative. This committee was to examine all sales, leases, contracts, fees and general transactions between the District and the Cooperative; it was to report by September 1, 1943.

C. Collateral Legislation

Enacted

H.B. 520, approved May 13, 1943, provided that agencies created under the Conservation amendment and engaged in generating or distributing electricity

shall make payments in lieu of taxes on their acquired property, excepting dams, dam sites, etc., which remain exempt. Acquired electric properties owned by a city or town located outside the city limits, except rural electrification lines, are also made subject to such taxation.

H.B. 12, approved April 27, 1943, related to charges for easements for electric transmission lines, etc., over public lands.

H.B. 660, approved and effective April 29, 1943, authorized Texas municipalities to own and operate electric properties situated partly in New Mexico. S.B. 339 was a companion bill.

S.B. 146, approved and effective May 8, 1943, authorized payments in lieu of school taxes to school districts by municipalities on acquired public utility property.

S.B. 155, approved May 6, 1943, effective January 1, 1944, amended the statutes relating to venue of suits against corporations, associations, etc.

H.B. 4, approved and effective March 3, 1943, provided for acknowledgments by members of the armed forces before commissioned officers.

S.B. 270, approved and effective May 6, 1943, provided for the sale of easements and rights of way by guardians, executors and administrators.

S.C. 218, approved and effective May 8, 1943, related to registration of architects.

H.B. 34, approved and effective April 26, 1943, enacted the Uniform Declaratory Judgments Act.

S.B. 21, approved April 14, 1943, provided for extension of charters of nonstock corporations.

H.B. 220, approved and effective April 27, 1943, amended the definition section of the Workmen's Compensation Act.

H.B. 10, law without approval May 3, 1943, amended the mercantile License act to exempt electric and gas utilities operating "stores" in towns of 3000 or less.

H.B. 696, approved May 22, 1943, effective August 10, 1943, amended the statutes relating to the management of the affairs of the San Jacinto River Conservation and Reclamation District.

S.B. 200, effective June 1, 1943, enacted the Uniform Stock Transfer Act.

S.B. 225, 340 both approved and effective May 15, 1943, amended the Unemployment Compensation Act.

Failed

H.B. 607 would have provided that the Texas gross receipts tax on the revenue from electric service in cities shall apply to any plant operated by the Authorities; cities and towns would have remained exempt under the measure.

S.B. 309, reducing the Brazos River District board of directors from 21 to 9, was defeated in the House after having passed the Senate.

H.B. 555, relating to the Board of Directors of the Colorado River Authority, is also reported to have failed.

D. 1945 Program

It is important that we keep closely in touch with our Texas borrowers and with the Texas Power Reserve Electric Cooperative. Most of the legislative work has been done by the Power Reserve, which has not been cooperative in keeping REA advised as to legislation. Since the Power Reserve provides in its budget for the retention of legislative counsel,it could be of much assistance in obtaining necessary legislation in Texas as well as preventing the enactment of inimical legislation. It is most important that proper liaison be established with the Power Reserve Cooperative.

1943 Utah Legislation - Final Report
Session: January 11 to March 11 (14), 1943

A. Affirmative Program

Tax Legislation. S.B. 172, passed March 11, 1943, effective March 18, 1943 (Ch. 93, Laws 1943), relating to the imposition of a tax upon certain sales and services, amended Section 80-15-4, Utah Code Ann. 1943, to specifically exempt "electric power plant systems owned and operated by cooperative or nonprofit corporations engaged in rural electrification". Proceedings had been instituted by the Utah Tax Commission against our Utah borrowers for the collection of a 2 percent sales tax. These proceedings were still pending at the time of the enactment of S.B. 172.

B. Defensive Program

S.B. 72, a Zoning Act establishing municipal planning commissions, was passed by the Senate but died on the House Calendar. This measure provided for the establishment of municipal and regional zones and also for the regulation of the location and structure of utility properties.

C. Collateral Legislation

Enacted. S.B. 10, passed February 17, 1943, effective May 11, 1943 (Ch. 27, Laws 1943), amended Section 18-5-1, Utah Code Ann. 1943, relating to consolidation of Utah corporations with foreign corporations.

S.B. 165, passed March 11, 1943, effective March 17, 1943 (Ch. 83, Laws 1943), provided for acknowledgments by members of the armed forces.

Failed. H.B. 59, repealing Section 13-0-2, Utah Code Ann. 1943, which provides that a chattel mortgage is void as against third parties after three years from filing unless an affidavit of interest is filed by the mortgagee at the end of each three-year period. This measure was passed by the House but died on the Senate Calendar.

H.B. 102, regulating the sale and manufacture of explosives.

D. 1945 Program

The experience of our borrowers with assessments should be carefully followed in Utah. Under the terms of the 1941 legislation an assessment rate of $50 per pole mile has been provided. The construction of this Act by the State Tax Commission has not followed the language of the Act. In some instances assessments are being levied on a line mile as distinguished from a pole mile basis. Assessments have been levied up to $200 per mile of construction. Unless this matter can be settled with the administrative officials, it might be advisable to seek clarifying legislation at the 1945 session.

Amendment of the Nonprofit Corporation Act in several respects should be considered.

1943 Vermont Legislation - Final Report
Session: January 6 to March 26, 1943

A. Affirmative Program

Model Act. Unsuccessful attempts had been made in 1941 to secure enactment of the Model Act. Utility opposition was strong and effective. While the 1943 biennial report of the Public Service Commission indicated that the Vermont electric cooperatives were not subject to Commission jurisdiction, the report made recommendations for the strengthening and revision of the public service laws, relative to supervision of electric operations. There had been constant threat of assumption of jurisdiction by the Commission. The cooperatives had also faced serious operation problems arising out of the unsuitability of the General Corporation Law under which they were organized. At a meeting of representatives of the cooperatives held early in the session, it was decided to seek enactment of the Model Act. The bill (H. B. 137) was introduced in the House by Representative Drown who was also Treasurer of the Vermont Electric Cooperative at Eden Mills. It immediately met potent utility opposition which, upon encountering considerable strength behind the measure, sought to attach a series of restrictive amendments. When the bill reached the floor of the House an attempt was made to impose Commission regulation on the cooperatives. This was debated at length and defeated by a roll call vote of 186-32. The bill met further opposition before the House but was finally passed in the House 181-46.

In the Senate Carroll Coburn of East Montpelier sponsored the bill, Senator Coburn having been the House sponsor in the 1941 session. After a stormy hearing before the Senate Committee on Corporations and Franchises, the bill was finally reported out with some compromise amendments. On the floor of the Senate several provisions of the bill were heatedly debated. After a series of amendments offered by opponents of the bill had been voted down, the bill went through the final stages of passage without a roll call vote. Although some of the Senate Committee amendments which had been adopted in the Senate were restrictive, it was decided to advise House concurrence as the bill did represent a very material gain in Vermont. H.B. 137 was approved and became effective on March 26, 1943. It should be noted that the bill as passed permits foreign cooperatives to extend lines 25 miles within the State and to operate those lines under the provisions of the bill. This section affects only the Vermont lines of the New Hampshire Electric Cooperative.

Tax Legislation. At the same time that the Model Act was discussed by the cooperatives' representatives, the question of tax assessment was discussed. Wide deviation between tax assessment practices in the various towns were reported by the cooperatives. The property tax has been quite burdensome in some of the towns. However, it was decided to postpone any action with respect to legislative tax relief until a program of seeking administrative relief had been carried out. No tax bill was introduced during the session.

B. Defensive Program

No bills inimical to the rural electrification program were introduced.

C. Collateral Legislation

Enacted. H.B. 9 approved and effective February 3, 1943, extends the 1941 Explosives Act to May 15, 1945. The previous expiration date was May 15, 1943. S.B. 43 approved and effective March 26, 1943 amends the General Corporation Law relative to the consolidation and merger of corporations. This bill was sponsored by electric utility companies. H.B. 109, H.B. 204 and S.B. 36 amended the Unemployment Compensation law in various respects, including the definition of "employee" and revision of the benefit provisions.

D. 1945 Program

The property tax experience of our Vermont borrowers should be reviewed prior to the 1945 session. It would also be well to check closely the operation of the restrictive provisions which appear in the Senate amendments to the Model Act for the purpose of determining whether amendment should be sought.

1943 Washington Legislation - Final Report
Session: January 11 to March 11 (12), 1943

A. Affirmative Program

P.U.D. Legislation. Initiative Measure No. 12 (Ch. 15, 1943 Session Laws). In Washington there are 19 REA-financed units, of which 13 are cooperatives organized under the Nonprofit Corporation Act and 6 are public utility districts. The PUDs joined in sponsoring Initiative Measure No. 12 which was enacted by the legislature. Initiative 12 provides for the formation of joint commissions composed of the majority of commissioners in two or more public utility districts. The joint commission thus formed may acquire, by eminent domain or otherwise, any utility properties in an integrated electric system located within the territory embraced by such joint public utility district. Under the Washington statutes prior to the enactment of Initiative 12, a district was limited in acquisitions to the properties situated within its originally chartered territory. It is anticipated that some large acquisitions may be consummated by the districts and that the REA-financed rural districts may participate by acquiring the rural sections of the electric facilities thus taken over. This matter was the subject of much controversy throughout the state and the united efforts of the public power forces were necessary to its success. The Washington State Grange sponsored Initiative 12 and the REA-financed districts supported the measure. The opponents of Initiative 12 succeeded in obtaining sufficient signatures on a petition to obtain a referendum. The question will now appear on the ballot at the general election in November 1944.

B. Defensive Legislation

Planning and Zoning. H.B. 176, and S.B. 158, relating to city, county and regional planning, failed. H.B. 212, a highway planning and roadside protection measure, relating to billboards, is reported to have died in the Senate.

Sale of Appliances. S.B. 227, prohibiting the sale of domestic appliances by privately or publicly owned electric companies, failed in the Senate.

C. Collateral Legislation

Enacted. The following measures, which were of interest to but did not directly affect REA borrowers, were enacted:

H.B. 86, approved and effective March 17, 1943 (Ch. 117, 1943 Session Laws), provides a system of licensing and inspection for frozen food lockers.

H.B. 149, approved March 16, 1943 (Ch. 99, 1943 Session Laws), amends the Cooperative Marketing Associations Act relative to the issuance and transfer of stock and membership certificates and qualifications of members.

H.B. 404, approved and effective March 22, 1943 (Ch. 283, 1943 Session Laws), amends the statute creating the Columbia Basin Commission and appropriates $80,000 for the Commission.

H.B. 191, approved and effective March 3, 1943 (Ch. 57, 1943 Session Laws), amends the act relating to irrigation districts in connection with districts' authority to purchase and sell electric power, etc.

H.B. 319, approved and effective March 22, 1943 (Ch. 275, 1943 Session Laws), enacts a complete irrigation and reclamation district statute for use in connection with the Columbia Basin project and other Federal reclamation projects; Ch. 14, Laws of 1939, is repealed.

H.B. 168 (H.J.R. 11), approved March 22, 1943 (Ch. 256, 1943 Session Laws), amends the existing requirements as to form and contents of deeds issued on foreclosure of assessments by irrigation, diking or drainage districts. H.J.R. 11 declares it to be the policy of the Senate and House that jurisdiction and control over the water rights in Washington should remain in the state and that such action as may be necessary to "resist attempts to invade the rights" of the state should be taken by its constituted authorities.

S.B. 11, approved and effective March 19, 1943 (Ch. 177, 1943 Session Laws), validates the creation, and debts, contracts and bonds, of utility local improvement districts organized under Chapter 114 of the Laws of 1929.

S.B. 50, approved March 9, 1943 (Ch. 67, 1943 Session Laws), provides for the intervention by the Department of Public Service in court actions involving a rule or order of the Department.

S.B. 51, approved March 9, 1943 (Ch. 68, 1943 Session Laws), confers on the Department of Public Service the power to require connections between telephone lines.

H.B. 186, approved March 22, 1943 (Ch. 258, 1943 Session Laws), relates to overcharges by public service companies and provides for the recovery thereof, including attorneys' fees and costs, by complainants.

H.B. 84, approved and effective on February 25, 1943 (Ch. 28, 1943 Session Laws), fixes an interest rate of 6 per cent on verdicts in eminent domain proceedings and provides for suspension of interest pending appeal.

S.B. 169, approved March 22, 1943 (Ch. 284, 1943 Session Laws), provides for the filing of chattel mortgages with the Secretary of State after filing in a county. The effect of such filing is the same as if such chattel mortgage had been filed with the county officials in each county of the State.

H.B. 73, approved March 9, 1943 (Ch. 76, 1943 Session Laws), requires

that chattel mortgages of property attached to real estate, contain a description of the real estate in order to be valid against subsequent purchasers of the real estate.

S.B. 166, approved March 18, 1943 (Ch. 122, 1943 Session Laws), revises the schedule of fees for filing articles of incorporation and amendments thereof.

H.B. 199, approved February 25, 1943 (Ch. 32, 1943 Session Laws), amends section 3803-31, Remington's Revised Statutes, by limiting the liability of officers or directors in military service.

H.B. 169, approved March 18, effective May 1, 1943 (Ch. 156, 1943 Session Laws), amends the existing laws relating to business tax and sales tax in several particulars.

S.B. 10, approved and effective March 1, 1943 (Ch. 47, 1943 Session Laws), authorizes and validates acknowledgments by persons in the armed forces made before designated officers.

S.B. 149, approved March 19, 1943 (Ch. 169, 1943 Session Laws) and S.B. 258, approved March 20, 1943 (Ch. 231), amend the laws relating to the issuance of securities.

H.B. 67, approved March 20, 1943 (Ch. 211, 1943 Session Laws), amends the acts relating to coal mining, including specifications for electrical installations.

H.B. 123, approved March 22, 1943 (Ch. 246, 1943 Session Laws), establishes a system of percentage preferences for Washington residents on public construction projects.

S.B. 122, approved March 18, 1943 (Ch. 127, 1943 Session Laws, pp. 291-350), generally amends the Unemployment Compensation Law. S.B. 176, approved March 20, 1943 (Ch. 226, 1943 Session Laws), provides unemployment compensation for persons in the armed services.

H.B. 341, approved March 22, 1943 (Ch. 280, 1943 Session Laws), and H.B. 63, approved March 20, 1943 (Ch. 210, 1943 Session Laws), amend the Workmen's Compensation Law in respect to persons in hazardous employment. H.B. 16, approved February 23, 1943 (Ch. 16, 1943 Session Laws), adds a new section to the Law providing for a method of assessing charges where a previously injured workman becomes permanently and totally disabled. H.B. 64, approved March 19, 1943 (Ch. 186, 1943 Session Laws), amends the Law in connection with safety devices and rendering of medical and surgical aid.

Failed. The following bills, which are of collateral interest only, are reported to have failed of enactment:

H.B. 233, revising the Nonprofit Corporation Act relative to amendment of the articles of incorporation.

The bill was not sponsored by REA borrowers.

H.B. 270, providing an alternate method of organizing associations under the Cooperative Marketing Act.

H.B. 288, relating to rights of way over state lands.

S.B. 215, providing a set of rules for the operation of steam boilers.

H.B. 5, pertaining to diking and drainage districts.

S.B. 282, reorganizing the board of the Columbia Basin Commission.

S.B. 305, amending the PUD law by altering the method of approval by the voters of bond issues.

D. 1945 Program

A continuation of the public power fight can be anticipated at the 1945 session of the legislature. If Initiative 12 becomes law, its opponents will probably seek alteration or repeal. A satisfactory relationship between Bonneville Power Administration, the cooperatives and the districts is essential. The private utility companies usually seek to divide the public power forces and in this manner open the way for enactment of legislation inimical to the public power movement. A consolidation of the public power forces sufficiently in advance of the session is important to the success of any legislative undertaking. In the past there has not been complete unity of purpose between the cooperatives and the districts. An understanding between these two groups and a reconciliation of any opposing views should be effected as promptly as possible.

1943 West Virginia Legislation - Final Report
Session: January 13 to March 13 (14), 1943

A. Affirmative Program

Introduction of the Model Electric Cooperative Bill in West Virginia was given serious consideration. Past experience of our two borrowers in this State with the Public Service Commission and with the private utility companies indicates urgent need for exemption of the electric cooperatives from Commission jurisdiction. The possibilities of new development in this State are great but they cannot be realized until proper legislation is obtained. After surveying the possibilities it was decided not to sponsor an affirmative program.

B. Defensive Program

None.

C. Collateral Legislation

Enacted. H. B. 112 passed over veto on March 5, 1943, effective February 25, 1943, amends Sections 1, 9 and 11 of Article 6, Chapter 11, Code of West Virginia 1931, relating to returns by and procedure for tax assessment of property of public service corporations. H. B. 278, approved March 8, 1943, effective April 1, 1943, contains miscellaneous amendments of the Unemployment Compensation Law.

D. 1945 Program

Possibilities of securing enactment of the Model Act should be carefully surveyed.

Wisconsin Legislation - Final Report
Session: January 13, 1943 - January 22, 1944

A. Affirmative Program

Cooperative Membership

The Public Relations Committee of the Wisconsin Electric Cooperatives sponsored A.B. 270, S.B. 261, providing for membership of governmental units and agencies in electric cooperatives. Under this bill, school districts, towns, villages or other governmental units, agencies or departments could apply for and hold membership in an electric cooperative association. Because of the uncertain attitude of the legislature the measure was withdrawn. Legislators friendly to the cooperatives advised against opening the General Cooperative Act to possible undesirable amendments.

Cooperative Insurance

A.B. 24 (Ch. 111, Laws 1943, approved May 11, 1943) amended the statute relating to the risks which may be insured by town mutuals (202.06) by providing that the "supplies of rural electric cooperative associations" might be covered by such town mutuals.

B. Defensive Program

No bills were introduced which would have directly affected the rural electrification program.

C. Collateral Legislation

Enacted

A.B. 202 (Ch. 206, Laws 1943, approved May 27, 1943) amended the General Cooperative Act by altering the procedure for the creation of preferred stock and by providing a formula for distribution of surplus to certain stockholders.

A.B. 47 (Ch. 500, Laws 1943, approved July 9, 1943) amended the statute forbidding corporate political contributions by including "organizations organized under Chapter 185" within its terms. Contributions of money, property or free service to a political party or for political purposes are prohibited.

A.B. 44 (Ch. 55, Laws 1943, approved April 15, 1943) amended section 99.02 relating to cold storage warehouse licenses.

A.B. 244, 245 (Ch. 209, 210, Laws 1943, approved May 27, 1943) amended sections 241.11, 122.11 relating to renewal of chattel mortgages and conditional sales contracts, respectively.

A.B. 172 (Ch. 417, Laws 1943, approved June 30, 1943) created a Joint Legislative Interim Committee on Post War Planning; provided a $5000 appropriation.

A.B. 289 (Ch. 214, Laws 1943, approved May 27, 1943) amended section 202.02 relating to addition of territory to town mutuals.

A.B. 346 (Ch. 468, Laws 1943, approved July 7, 1943) amended section 235.19(3) relating to acknowledgments before commissioned officers.

A.B. 377 (Ch. 485, Laws 1943, approved July 8, 1943) amended section 241.13(1) relating to foreclosure of chattel mortgages.

A.B 463 (Ch. 557, Laws 1943, approved July 28, 1943) amended the securities law.

A.B. 550 (Ch. 387, Laws 1943, approved June 30, 1943) provided for the registration of architects and professional engineers.

A.J.R. No. 5 (J.R. No. 17, Laws 1943, adopted March 24, 1943) called upon the Public Service Commission to investigate telephone rates.

S.B. 160, 161 (Ch. 98, 99, Laws 1943, approved April 30, 1943) amended section 145.03(2) relating to plumbing apprentices and plumbing inspectors, respectively.

S.B. 162 (Ch. 100, Laws 1943, approved May 1, 1943) amended the law relating to plumbing definitions and supervisors.

S.B. 203 (Ch. 289, Laws 1943, approved June 15, 1943) enacted the Uniform Acknowledgment Act.

S.B. 210 (Ch. 270, Laws 1943, approved June 8, 1943) generally amended the Workmen's Compensation Act.

S.B. 347 (Ch. 375, Laws 1943, approved June 30, 1943) enacted a new law providing uniform administrative procedure and judicial review; included the Public Service Commission. (See also S.B. 422, Chapter 515, Laws 1943, approved July 12, 1943, reconciling Chapters 375 and 401--A.B. 416--Laws 1943).

S.B. 355 (Ch. 378, Laws 1943, approved June 30, 1943) related to deficiency judgments on obligations secured by chattel mortgages and conditional sales contracts.

S.J.R. 38 (Res. No. 58, Laws 1943) created a joint legislative committee to study the activities of pressure groups and their lobbyists.

Failed

A.B. 328 would have provided for the establishment of a Board of Examiners to license operators of certain steam plants, prescribed

standards for licensing of operating engineers of various classes, and provided for the attendance of a licensed engineer at all times while certain steam and motor power plants are in operation. It would have affected but one REA borrower.

D. 1945 Program

There appear to be no specific legislative needs for 1945. It may be advisable to reconsider introduction of a measure permitting joinder of cooperatives by governmental units.

1943 Wyoming Legislation - Final Report
Session: January 12 to February 20, 1943

A. Affirmative Program

Consideration was given to the introduction of the Model Act at the 1943 session. However, on the advice of members of the legislature friendly to the REA cooperatives, the measure was not presented. Statewide meetings were held prior to the session in an effort to develop support for an affirmative legislative program and the final decision was reached by our Wyoming borrowers after a careful appraisal was made of the chances of success. Both the House and Senate leaders advised the cooperatives against sponsoring the Model Act at this time.

Tax Legislation. H.B. 55, approved and effective February 10, 1943 (Ch. 37, Laws 1943), extended the exemption from taxation of the propert of the cooperatives for six additional years dating from February 11, 1943.

B. Defensive Program

No measures came to our attention which would have adversely affected the REA program.

C. Collateral Legislation

Enacted. S.B. 76, approved and effective February 25, 1943 (Ch. 104, Laws 1943) provided for certificates changing principal place of business of Wyoming corporations incorporated or domesticated under Articles 1 and 2 of Chapter 28, Wyo. Rev. Stats. 1931.

H.B. 7, approved and effective February 1, 1943, amended Section 28-102, Wyo. Rev. Stats. 1931, relating to filing fees charged corporations. H.B. 16, approved and effective February 1, 1943 (Ch. 15, Laws 1943), provided for acknowledgments by persons in the armed forces.

S.B. 71, approved and effective February 23, 1943 (Ch. 78, Laws 1943), provided protection to persons acting under powers of attorney made by persons in the armed forces.

S.B. 77, approved and effective February 23, 1943 (Ch. 76, Laws 1943), amended the law relating to execution of conveyances.

S.B. 16, approved and effective February 10, 1943 (Ch. 38, Laws 1943), amended the law concerning registration of land surveyors and professional egnineers.

S.B. 65, approved and effective February 18, 1943 (Ch. 58, Laws 1943), amended the Unemployment Compensation Act.

H.B. 88, approved and effective March 1, 1943 (Ch. 114, Laws 1943); S.B. 7, approved and effective February 11, 1943; S.B. 43, approved and

effective February 25, 1943 (Ch. 107, Laws 1943); S.B. 36, approved and effective February 16, 1943; S.B. 42, approved and effective February 19, 1943 (Ch. 61, Laws 1943), all amended the Workmen's Compensation Act.

D. 1945 Program

Effort should be continued durir the next two years to coordinate the efforts of our borrowers in Wyoming. At the 1943 session a Statewide Legislative Committee was established of which Paul H. Dupertuis, Lingle, Wyoming, was elected president. Mr. Dupertuis is interested in and familiar with our program in Wyoming and he has the full confidence of our borrowers. Organization of the Wyoming cooperatives to the point where success of a legislative program can be assured may take some time. Distance between the projects is great and considerable field work must be done. It is important that the Legislative Committee remain intact and it is advisable to hold meetings in different sections of the State. Enactment of the Model Act in Wyoming is particularly important because of the precedent established by the assumption of jurisdiction by the Public Service Commission. Wyoming's action is already being quoted by legislators in the neighboring states of Colorado and Idaho.